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total of the company's operations, and not, as is frequently the case, a small part of the total operations. Furthermore, the joint nature of many of the operations serves to very closely knit Penn Water into the whole interconnected system. Lifting Penn Water out of this position and treating it as a self-contained whole, while contrary to its manner of operation, is possible in connection with the determination of Penn Water's cost of service to Baltimore Company.

Viewed alone, Penn Water owns and operates certain facilities for the purpose of delivering and rendering certain services. The same facilities, in some cases, are used to receive services from others which are used or needed in connection with the deliveries made. A review of the facilities of Penn Water reveals that while the operations involved over the facilities may be very complex, particularly contractually, the actual purpose and use of the facilities is comparatively simple with reference to the services to Baltimore.

Over 95% of the total investment in property and plant, exclusive of intangible and general plant, is represented by only 10 items or groups of property; a hydro plant, a steam plant, four major transmission systems and four large substations. Furthermore, as will be shown later, only 5 of these large items are involved in service to Baltimore and of these 5 only 3 have some use other than for service to Baltimore. Thus, from the point of view of facilities and the costs related thereto, the problem of determining the cost of service to Baltimore becomes primarily one of allocating the joint use of only 3 major items of property.

In addition to the costs associated with its own investments, Penn Water has other costs. It receives services from Safe Harbor Water Power Corporation, hereinafter referred to as Safe Harbor, and it engages in interchange transactions with its customers resulting in the receipt as

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well as delivery of energy and services. The costs associated with these transactions must also be allocated to the use made of these services. Consideration was given to the character of these services. It was found that some of the costs associated with these services might properly be allocable to Baltimore but that the amount involved would be relatively small. Accordingly, no part of the payments associated with these services has been assigned to Baltimore. Thus, it may be stated that the cost to serve Baltimore is no less than the amount determined herein.

As in the case of practically every cost allocation, it is necessary to exercise judgement with respect to the handling of many joint items of investment and costs. In this case, the zone within which judgement has entered has been reduced as far as possible by the identification of plant and costs whenever such information was available. Judgement has thus been limited to adopting the proper method and reasonable allocation ratios in the handling of items beyond this point.

Production Plant

Penn Water owns and operates both a steam and hydro electric power plant. The steam plant generates 60 cycle current whereas the hydro plant has both 60 and 25 cycle generating facilities. There are two frequency convertors located in the hydro plant which permits a limited amount of conversion from 25 to 60 cycle and reverse.

No portion of the steam plant investment or costs, nor the hydro 60 cycle plant investment or costs, is assigned to Baltimore services. Undoubtedly, at times some small part of the 60 cycle generated energy reaches Baltimore either as 60 cycle energy or through the frequency convertors as 25 cycle energy. The distribution of the loads, other sources of supply and transmission facilities is such, however, that the amount of 60 cycle

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generated energy that would be delivered to Baltimore in any one year would be comparatively small.

The steam plant investment and costs are readily obtained from the accounts of the company and requires no allocation. The hydro investment and costs, however, are not all identifiable and an allocation is necessary. The hydro plant contains 8-25 cycle three phase units having a total rated capacity of 87,000 KW and two 60 cycle three phase units totaling 24,000 KW. The rated capacity of each frequency converter is 5,000 KW.

The 25 cycle generation is delivered to two customers, Baltimore and Lancaster (Pennsylvania Power and Light Company). In addition, on a net basis, a small amount of 25 cycle generation is converted from 25 to 60 cycle energy. For the year 1946, out of a net 25 cycle generation of 447 million kwhrs, approximately 10 million kwhrs or less than 2.5% was converted from 25 to 60 cycle on a net basis. This ratio will vary some from year to year. However, the average net 25 cycle delivery to 60 cycle for the five year period 1941-1945 is also approximately 10 million kwhrs. On a capacity basis the frequency converters are used at full capacity for deliveries in either direction. In view of the small amount of net conversion, and the capacity use of the converters, no part of the 25 cycle hydro plant investment or cost is allocated to the 60 cycle generation. The allocated 25 cycle generating cost is divided entirely between Baltimore and Lancaster deliveries. This step is considered reasonable since the possible resulting inaccuracy is well within the limits of accuracy of any cost allocation.

The 25 cycle deliveries to Lancaster are also comparatively small in relation to the total 25 cycle generation or the amount delivered to Baltimore. In 1946, the 25 cycle send out to Lancaster was 31,489,000 kwhrs, or 7.7% of the amount delivered to Baltimore and 7.0% of the net 25 cycle genera-

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tion. In view of this fact, no detail allocation of costs between demand and energy components was made of the 25 cycle generation costs to determine the amount to be assigned to Baltimore. The assignment was made on the basis of a study of the relative capacity and energy required for the two loads. This is considered a reasonable basis, under the circumstances, for again the possible resulting inaccuracy is well within the limits of accuracy of the cost allocation.

Riverside and Westport Transmission Lines

These two 220 KV transmission lines and the related Major substation together represent the second largest item of property used in rendering service to Baltimore. These lines were built to transmit Safe Harbor energy to Baltimore. This is still the essential purpose of these lines. On this basis, the entire cost of these lines should be allocated to Baltimore.

These lines are also used, however, to carry backfeed from Baltimore to Safe Harbor. This back feed is comingled at this point and is used in connection with deliveries to other customers. The specific use of this backfeed cannot be determined and will vary from time to time. Furthermore, the amount of this backfeed varies considerably from year to year. For example, in 1942, it was 46,016,000 kwhrs and in 1944, 201,075,000 kwhrs.

The backfeed is in the nature of an incidental use since some, if not all of it, could be replaced by purchases from other available and connected sources. Furthermore, it appears that the amount of backfeed that will be used in the future will decrease materially due to the installations pending or in progress of considerable new and efficient generating capacity by other utilities connected to the network. However, since the backfeed does represent a use of the lines, some portion of their costs should be allocated to that use. The amount allocated can only be based on judgement

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in the light of the facts available.

Ellicott Line and Switching Station.

The Ellicott line is a tap off the Westport line from Ellicott City to a connection with the system of the Potomac Electric Power Company near Takoma Park, Maryland. Penn Water renders no service to PEPCO and this tap was constructed as a connection between Baltimore and PEPCO.

As in the case of the Westport and Riverside lines, some backfeed is also carried over this line. However, in this case, only a portion of this backfeed is delivered at Safe Harbor since some of it can and does go to Baltimore. All of the energy carried on this line is accounted for in the transactions between Baltimore and PEPCO.

Under the circumstances, the entire cost of this line and switching station is allocated to Baltimore.

Conestoga Substation and Perryville Line

This substation and transmission line were built by Penn Water in connection with the joint supply to the Pennsylvania Railroad by Penn Water, Baltimore, and Safe Harbor. Subsequently, PEPCO became party to the joint contractual arrangements.

Baltimore has no direct physical connection with the Railroad. Its obligations and deliveries to the Railroad are largely made over these facilities. Penn Water and Safe Harbor also make deliveries over these facilities to the Railroad. Accordingly, a portion of Penn Water's investment in these facilities and their cost of operation and maintenance are properly Baltimore's costs of service to the Railroad. This study is confined to the services rendered by Penn Water to Baltimore. Since in this case the facilities and the costs incurred are for joint

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service to the Railroad, no portion of these costs have been allocated to Baltimore.

Holtwood Substation

The Holtwood substation is partly housed in the hydro plant and partly located adjacent thereto. It contains both 25 and 60 cycle transformers and equipment. The 25 cycle transformers are located within the plant and the 60 cycle transformers are outdoors adjacent to the plant.

As in the case of the hydro plant it is necessary to determine the 25 cycle investment in this substation and the operating and maintenance costs of this equipment. The investment and expenses for 25 cycle equipment are then allocated between Baltimore and Lancaster.

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SCHEDULE A

1944 COST STUDY

(Total Costs Taken from Federal Power Commission Exhibit 64.
Investment Figures are Averages for the Year 1944.)

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SCHEDULE A
Table No. 1

SUMMARY OF
ALLOCATION OF RATE BASE ITEMS AND RETURN
TO BALTIMORE
-1944-

Line No.	Item	Total per Exhibit 64 (1)	Allocated to Baltimore (2)	Percent of Total To Baltimore (3)
<u>RATE BASE</u>				
<u>Production Plant</u>				
1	Hydro	\$ 15,847,486	\$ 10,643,172	67.2
2	Steam	4,527,533	-----	0
3	Total Production	\$ 20,375,019	\$ 10,643,172	52.2
<u>Transmission Plant</u>				
4	Holt.-Balt. Line	1,371,281	1,371,281	100.0
5	Highlandtown Sub.	971,877	971,877	100.0
6	Gunpowder Line	171,357	171,357	100.0
7	Westport Line	1,737,450	1,476,833	85.0
8	Riverside Line	1,519,065	1,291,205	85.0
9	Manor Sub.	171,249	145,562	85.0
10	Ellicott Line	316,157	316,157	100.0
11	Ellicott Sw. Sta.	65,384	65,384	100.0
12	Holtwood Sub.	1,188,774	399,321	33.6
13	Perryville Line	1,105,322	-----	0
14	Conestoga Sub.	1,180,205	-----	0
15	Perryville Sw. Sta.	728	-----	0
16	Violet Hill	393,418	-----	0
17	York Line	504,918	-----	0
18	Coatesville Line	586,725	-----	0
19	Newlinville Sub.	9,959	-----	0
20	Lancaster Line	17,025	-----	0
21	Engleside Sub.	6,635	-----	0
22	Donegal Tap	12,609	-----	0
23	Manheim Sw.	3,949	-----	0
24	Balance of Trans.	200,067	-----	0
25	Total Transmission	\$ 11,533,354	\$ 6,208,977	53.8
26	Total Prod. and Trans.	31,908,373	16,852,149	52.8
27	Intangible Plant	173,070	91,381	52.8
28	General Plant	779,707	411,685	52.8
29	Total Plant	\$ 32,861,150	\$ 17,355,215	52.8
30	Less: Depreciation Reserve	7,978,118	4,173,652	52.3
31	Net Plant	\$ 24,883,032	\$ 13,181,562	53.0
32	Plus: Working Capital	590,000	261,651	44.3
33	RATE BASE	\$ 25,473,032	\$ 13,443,215	52.8
34	Return-5% on Rate Base	\$ 1,273,651	\$ 672,161	52.8

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SCHEDULE A
Table No. 2SUMMARY OF
ALLOCATION OF COSTS
TO BALTIMORE

-1944-

Line No.	Item	Total Cost per Exhibit 64	Allocated to Baltimore	Percent of Total to Baltimore	
		(1)	(2)	(3)	
<u>COST OF SERVICE</u>					
<u>Operating Expenses</u>					
1	Production - Hydro	\$ 357,980	\$ 250,300	69.9	
2	Production - Steam	586,497	---	0	
3	Total Production	7944,477	250,300	26.5	
5	Transmission	354,506	218,301	61.6	
	Administration & General	490,891	231,700	47.2	
6	Payments to Safe Harbor	992,535	---	0	
7	Total Oper. Exp.	\$2,782,409	\$ 700,301	25.2	
8	Depreciation	464,212	205,176	44.2	
9	Taxes	536,964	278,257	51.8	
10	Return - 5%	1,273,651	672,161	52.8	
11	TOTAL COSTS	\$5,057,236	\$1,855,895	36.7	

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Schedule A - Table No. 1

Notes

Line 1 - Of the total hydro plant investment of \$15,847,486, \$10,643,172, or 67.2% has been found properly allocable to Baltimore. This is based on the conclusion that 73% of the hydro plant investment is allocable to 25 cycle equipment, of which 92.0% is allocated to Baltimore. These percentage allocations are judgement figures based on a careful study and consideration of available information. A brief statement of the information considered follows:

The bulk of the hydro production plant investment is in five accounts:

- 320 - Land and Land Rights
- 321 - Structures and Improvements
- 322 - Reservoirs, Dams and Waterways
- 323 - Waterwheels, Turbines and Generators
- 324 - Accessory Electric Equipment

Only in the case of account 323 and 324 can some of the property be identified as 25 or 60 cycle and its cost determined. Some studies were made of these accounts for purposes of this allocation. Account 321 can, in its greater part, be allocated on the basis of the number of 25 and 60 cycle units, thereby allocating 80% to 25 cycle. Other parts of account 321, principally the Holtwood Village, will have a different allocation ratio, largely due to the fact that the village accommodates steam plant employees as well. For these three accounts the directly identified and allocated 25 cycle investment was found to be approximately 71% of the totals.

~~There is no physical basis for allocating the two remaining large accounts, 320 and 322. In the case of these accounts, consideration was given to the relative number of units, rated capacity, demands, and generation of 25 and 60 cycle energy over a period of years. On these bases, the percent allocable to 25 cycle would be approximately as follows:~~

Number of Units	80.0%
Rated Capacity	78.5%
Hydro Peak Demand	77.5%
Generation	75.0%

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Schedule A
Table No. 1
Notes

As stated above, after considering all the facts available, 73% of the total hydro plant investment was allocated to 25 cycle equipment.

In determining the portion of the allocated 25 cycle hydro plant investment properly chargeable to Baltimore, consideration was given to the relative energy deliveries, peak and non-coincident demands over a period of years. For the year 1946 and the average for the five years 1941-1945, the ratio of 25 cycle for Baltimore to the total for Baltimore and Lancaster for each of these items is as follows:

	<u>1946</u>	<u>Average 1941 - 1945</u>
Energy Delivered - - - - -	92.8%	92.5%
Peak Demand, - - - - -	96.0%	95.8%
Non-Coincident Demand- - -	91.7%	90.5%

It is clear from the above ratios that any detailed demand and commodity allocation would not result in any material difference from either using a straight energy or demand basis. An overall ratio of 92.0% was adopted as a reasonable estimate of the results that would follow from any more detailed studies.

Line 2 - No part of the steam plant cost has been allocated to Baltimore for the reasons discussed earlier herein.

Lines 4 and 5 - The Holtwood-Baltimore (Highlandtown) line and substation are used exclusively for 25 cycle service to Baltimore. A small amount of backfeed does come over these lines. On a net hourly basis, the amount in 1944 was only 555,000 kwhrs and in 1946, 1,673,000 kwhrs. The gross deliveries to Baltimore over this line are well in excess of 300 million kwhrs per year.

Line 6 - This line has no other use except for Baltimore. It is not directly connected with the interconnected system net work.

Schedule A
Table No. 1
Notes

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Lines 7, 8 and 9 - The allocation of the investment in the Westport and Riverside lines and in Manor substation has been discussed at some length earlier herein. After consideration of the available information, the purpose of the lines, and their probable future use, 85% of the investment has been allocated to Baltimore.

On an energy basis over the past six years, the backfeed over these lines has varied from 7.7% of the total sendout plus backfeed to as high as 41.6%. The average for the five year period, 1941 1945, was 19.1%.

If the problem of allocation of these items of investment were approached on the basis of a detailed demand and energy separation of costs, then the energy ratio, 81% to Baltimore and 19% to backfeed, might reasonably be used as a measure for allocating such costs of the lines as are considered variable with the energy transmitted. Only a very small portion of the costs vary with the energy transmitted and most of the costs are fixed and would be designated "demand costs". In this case the backfeed use is not a capacity but an energy use, so that 100% of the demand costs would be allocated to Baltimore. Assuming however, that the total costs of transmission in this case are divided 50-50 between capacity and energy costs, then the assigning of 100% of the capacity costs and 81% of the energy costs to Baltimore would result in an overall allocation of 90.5% of the costs to Baltimore. On this same basis, the overall percentage used of 85% is equivalent to assigning 90% of the capacity costs to Baltimore.

Lines 10 and 11 - The entire cost of the Ellicott line and switching station has been allocated to Baltimore. This line is used by Baltimore as a major connection with the PEPCO system.

Line 12 - Exhibit 64 shows as "Balance of Transmission" \$1,560,090. This includes the Holtwood substation. Company records show as cost for the substation \$1,188,774 of which \$637,561 represents 25 cycle equipment. However, the various

Schedule A
Table No. 1
Notes

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adjustments made by Commission examiners have all been reflected in the "Balance of Transmission" item. Without more detailed studies it was considered that a majority of these adjustments were applicable to the substation. Furthermore, for purpose of this study, all the adjustments, totaling \$203,516, have been applied to the 25 cycle equipment in the substation. This leaves \$434,045 as the 25 cycle substation investment of which 92% or \$399,321 is allocated to Baltimore.

Lines 13 to 24, inclusive No part of the investment in these items of transmission plant has been allocated to Baltimore.

These lines and facilities are for service to other utility customers and the Pennsylvania Railroad. Some of the interchange energy from these other customers might reach Baltimore, but no allowance is made for such instances since the amount would be relatively small.

Lines 27 and 28 - Intangible and general plant has been allocated to Baltimore in proportion to the percent that the allocated total production and transmission is to the total plant.

Line 30 - Depreciation Reserve - The problem of allocating the depreciation reserve divides itself into three parts:

- (1) Production plant - hydro
- (2) Transmission
- (3) Holtwood Substation

In Exhibit 64, the reserve applicable to the hydro plant is shown as \$4,383,189. Since 73% of the investment in the plant has been found to be 25 cycle equipment, it would follow that the reserve allocable to the 25 cycle equipment would reasonably be 73% of the total reserve. However, the 25 cycle equipment is older than the 60 cycle equipment. In view of the fact that the 60 cycle equipment is only about one fourth of the total, any adjustment in the reserve for the difference in age of the two types of equipment would be comparatively small. In recognition of the fact that age is a factor in the reserve used in Exhibit 64, 75% of the hydro plant reserve, or \$3,287,354 has been taken as

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Schedule A
Table No. 1
Notes

applicable to the 25 cycle investment, of which 92%, or \$3,024,366 has been allocated to Baltimore.

The depreciation reserve for transmission plant in Exhibit 64 of \$2,105,915 is 18.25% of transmission plant. The reserve shown, however, as applicable to the plant directly allocated to Baltimore is 17.3% of the plant. Since the transmission property involved in Exhibit 64 as directly allocable to Baltimore is in a large measure the same transmission property allocated in this study, except for Holtwood substation, the 17.3% ratio is considered as the proper ratio to use for all this directly allocated transmission property except the Holtwood substation. Accordingly, the transmission reserve allocated to Baltimore is 17.3% of \$5,809,656, or \$1,005,070.

The reserve for depreciation for the Holtwood substation is included in the amount of \$668,026 shown for the pool transmission facilities of \$3,131,266, of which \$1,188,744 is the Holtwood substation, and \$1,942,522, other transmission plant. Applying the overall transmission reserve ratio of 18.25% to \$1,942,522 results in \$354,510 of reserve applicable to this plant and the remainder or \$313,516 applicable to the Holtwood substation, which is 26.4% of the investment in the substation. Here again, consideration is given to the fact that the 25 cycle equipment is older than the 60 cycle equipment. In this case, however, the 60 cycle investment is a much larger proportion of the total so that a much greater adjustment appears reasonable in recognition of the nature of the depreciation reserve used in Exhibit 64. Under the circumstances, it is considered reasonable to split the reserve equally between the two types of equipment thereby allocating \$156,758 to the 25 cycle investment. This is 36.1% of the 25 cycle investment and the remainder is 20.8% of the 60 cycle investment. There is allocated to Baltimore 92% of \$156,758, or \$144,217.

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Schedule A
Table No. 1
Notes

The total depreciation reserve in Column 2 of line 30 is as follows:

Production-Hydro - - - - -	\$3,024,366
Transmission - - - - -	1,005,070
Holtwood Substation- - - - -	<u>144,217</u>
Total- - - - -	\$4,173,653

Line 32 - The total working capital of \$590,000 in Exhibit 64 is composed of \$224,000 for cash working capital and \$366,000 for materials and supplies. In Exhibit 64, cash working capital has been allocated on the basis of operating expenses and materials and supplies on the basis of investment. However, the total amount of working capital is less than 2.5% of the rate base. Accordingly, in this study, the allocations already made are used as far as possible and the further allocations necessary are made on an investment basis.

The working capital allocated in Exhibit 64 to hydro plant is \$262,303 or 1.7% of the investment. This percent applied to the hydro investment allocated to Baltimore results in an allowance of \$180,934. The working capital allocated in Exhibit 64 to Baltimore directly on transmission facilities is 1.3% of the investment. This percent applied to the transmission investment allocated to Baltimore in this study results in an allowance of \$80,717. The two allowances combined total \$261,651 as shown in Column 2 of Line 32.

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Schedule A - Table No. 2
Notes

Line 1 - The records of Penn Water do not show the amount of operation and maintenance separately for the 25 and 60 cycle generating units and facilities. There are many items of expense which are common to the entire plant. This is particularly true of supervision and maintenance of structures. In addition there are a number of items of accessory equipment such as the exciter system, which are common to both 25 and 60 cycle operations.

After consideration of the various factors involved it appears reasonable to allocate 76% of this item to 25 cycle operations. The relative 25 cycle generation is 75% of the total, the relative rated capacity is 78.5%, and the number of units, 80%. Using 76%, the amount allocated to 25 cycle is \$272,065. Of this total, 92%, or \$250,300 is allocated to Baltimore in the same manner as the 25 cycle hydro investment was allocated.

Line 4 - The transmission expense for each of the major lines is available from company records. These expenses are allocated to Baltimore on the same basis as the investment allocation. The load dispatching and Holtwood substation expenses are split 50-50 between 25 and 60 cycle service. Baltimore is allocated 92% of the 25 cycle costs. The detail of the allocation follows:

Item	Expense	Percent to Baltimore	Allocated to Baltimore
Westport and Riverside Lines and Manor Substation	\$ 65,948	85.0	\$ 55,971
Highlandtown Line and Substation and Gunpowder Line	120,135	100.0	120,135
Ellicott City Line and Switching Station	10,483	100.0	10,483
Holtwood Substation	36,318	46.0	16,706
Load Dispatching Expense	32,622	46.0	15,006
Balance	89,099	0	--
Total	\$354,506	61.6	\$218,301

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Schedule A
Table No. 2
Notes

Line 5 - A review of the major items of General and Administrative expenses indicates that some items may properly be apportioned on the basis of investment and others on the basis of other operating expenses. Substantially all of the salaries and expenses of the general executives, legal services, insurance and regulatory commission expenses are incurred on problems dealing with the financial operations and return of the company. Costs of injuries and damages and employee's welfare and pensions are proportional to operating expenses. On the basis of the relative proportion of these two types of expenses, the total General and Administrative expense has been allocated 2/3 on the basis of investment and 1/3 on the basis of operating expenses. The following table shows the derivation of the amount allocated to Baltimore:

	Proportional to Investment	Proportional to Oper. Expenses	Total
General and Admin. Expenses	\$327,261	\$163,630	\$490,891
Allocated to Baltimore	173,793	58,907	231,700
Percent to Baltimore	52.8%	36.0%	47.2%

Line 6 - For the reasons outlined herein, no part of the payments made to Safe Harbor are allocated to Baltimore.

Line 8 - The total depreciation expense of \$464,212 as shown in Exhibit 64 can be broken down into the following subdivisions from the various tables in this exhibit:

Production - - - - -	\$311,579
Hydro - - - - -	\$197,230
Steam - - - - -	114,349
Transmission - - - - -	\$152,633
Baltimore - Direct - - -	\$ 65,858
Balance - - - - -	86,775

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Schedule A
Table No. 2
Notes

The hydro depreciation expense is allocated directly in proportion to the investment allocated to Baltimore. On this basis 67.2% or \$122,539, has been allocated to Baltimore. The Baltimore direct depreciation expense for transmission of \$65,858 is 1.1% of the investment. These are essentially the same facilities allocated to Baltimore in this study except for the Holtwood substation for which the rate is 1.75%. Accordingly, the depreciation expense allocated herein to Baltimore for transmission facilities is taken at 1.13% of \$5,809,656 plus 1.75% of \$399,321, making a total for transmission of \$72,637. The total depreciation expense allocated to Baltimore is thus \$205,176.

Line 9 - The total taxes shown in Exhibit 64 of \$536,964 has been subdivided as follows:

	Amount	Proportioned to
1. Income, Capital Stk., Property & Misc.	\$139,880	Investment in Pa.
2. Gross Receipts and P.U.C.	25,934	Penn R.R. & Pa. Customers
<u>Maryland</u>		
3. Income, Capital Stk., Property & Misc.	66,268	Investment in Md.
<u>Federal</u>		
4. Unemployment and Old Age	23,912	Operating Expenses
5. Income and Capital Stock	280,970	Return
Total	\$536,964	

For purposes of allocating the Pennsylvania and Maryland taxes, an analysis was made of the investment in each state and the proportion of such investment allocated to Baltimore herein. On the basis of this analysis, 46.2% of the Pennsylvania taxes, exclusive of gross receipts and P.U.C., and 84.4% of the Maryland taxes have been allocated to Baltimore.

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Schedule A
Table No. 2
Notes

A summary of the allocations made follows:

Tax	Allocated to Baltimore	Percent to Total
Pa. - Income, Capital Stk, Property & Misc.	\$ 64,625	46.2
Md. - Income, Capital Stk, Property & Misc.	55,930	84.4
Federal - Unemployment and Old Age	9,350	39.1
Federal Income and Capital Stk	<u>148,352</u>	<u>52.8</u>
Total	\$278,257	51.8

Line 10 - The return allocated is equal to 5% on the allocated investment
shown in Table No. 1.

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SCHEDULE B
Table No. 1SUMMARY OF ALLOCATION OF INVESTMENT AND
DEPRECIATION TO BALTIMORE

-1946-

Line No.	Item	Total per Company (1)	Allocated to Baltimore (2)	Percent of Total to Baltimore (3)
<u>Investment</u>				
<u>Production Plant</u>				
1	Hydro	\$ 18,518,534	\$ 12,444,454	67.2
2	Steam	4,690,739	-	0
3	Total Production	\$ 23,209,273	\$ 12,444,454	53.6
<u>Transmission Plant</u>				
4	Holt.-Balto. Line	\$ 1,359,506	\$ 1,359,506	100.0
5	Highlandtown Sub.	969,165	969,165	100.0
6	Gunpowder Line	191,038	191,038	100.0
7	Westport Line	1,723,422	1,464,909	85.0
8	Riverside Line	1,524,858	1,296,139	85.0
9	Manor Sub.	171,032	145,377	85.0
10	Ellicott Line	320,231	320,231	100.0
11	Ellicott Sub.	66,055	66,055	100.0
12	Holtwood Sub-25 cycle	630,963	580,486	92.0
13	" " -60 cycle	751,954	-	0
14	Perryville Line	1,101,535	-	0
15	Conestoga Sub.	1,182,343	-	0
16	Perryville & Fishing Creek	5,109	-	0
17	Violet Hill Sub.	138,540	-	0
18	York Line	504,251	-	0
19	Coatesville Line	589,578	-	0
20	Newlinville Sub.	9,952	-	0
21	Lancaster Line	16,803	-	0
22	Engleside & Mt. Nebo	8,371	-	0
23	Dengal Tap & Sub.	12,521	-	0
24	Manheim & S. Akron	3,121	-	0
25	Balance of Trans.	333,924	-	0
26	Total Transmission	\$ 11,614,272	\$ 6,392,896	55.0
27	Total Prod. and Trans.	\$ 34,823,545	\$ 18,830,350	54.1
28	<u>Intangible and General Plant</u>	\$ 1,617,341	\$ 874,981	54.1
29	Total Plant	\$ 36,440,886	\$ 19,712,331	54.1
30	<u>Working Capital</u>	\$ 977,160	\$ 380,342	38.9
31	Total Plant & Working Cap.	\$ 37,418,046	\$ 20,092,673	53.7
32	<u>Depreciation Reserve</u>	\$ 6,178,657	\$ 3,001,118	48.6

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SCHEDULE B
Table No. 2SUMMARY OF ALLOCATION OF COSTS
TO BALTIMORE

Line No.	Item	Total per Company (1)	Allocated to Baltimore (2)	Percent of Total to Baltimore (3)
<u>COST OF SERVICE</u>				
<u>Operating Expenses</u>				
1	Production-Hydro	\$ 402,895	\$ 281,704	69.9
2	" -Steam-	<u>683,567</u>	<u>-</u>	<u>0</u>
3	Total Production	<u>\$1,086,462</u>	<u>\$ 281,704</u>	<u>25.9</u>
4	Transmission	408,483	269,048	65.9
5	Administrative & General	906,281	56,463	50.4
6	Payments to Safe Harbor	1,016,501	-	0
7	Purchased Interchange	<u>54,495</u>	<u>-</u>	<u>0</u>
8	Total Operating Exp.	<u>\$3,472,222</u>	<u>\$1,007,215</u>	<u>29.0</u>
9	<u>Depreciation</u>	400,000	175,090	43.8
10	<u>Taxes</u>	1,094,981	586,531	53.6
11	<u>Operating Income (Return)</u>	<u>2,244,813</u>	<u>1,215,990</u>	<u>54.1</u>
12	<u>TOTAL COSTS</u>	<u>7,214,016</u>	<u>2,984,826</u>	<u>41.4</u>

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Schedule B - Table No. 1

Notes

Line 1 - In the 1944 cost study it was found that 73% of the hydro plant investment is in 25 cycle equipment and that 92% of this 25 cycle investment, or 67.2% of the total, is properly allocable to Baltimore. The various factors considered in reaching these conclusions are explained in the notes to Schedule A, Table No. 1 (Line 1). The same factors apply to the 1946 investment allocation, and the same allocation ratios used in the 1944 study are applied in this study.

Line 2 - No part of the steam plant cost has been allocated to Baltimore for the reasons discussed earlier herein.

Lines 4 and 5 - The Holtwood-Baltimore (Highlandtown) line and substation are used exclusively for 25 cycle service to Baltimore. A small amount of backfeed does come over these lines. On a net hourly basis, the amount in 1944 was only 555,000 kwhrs and in 1946, 1,673,000 kwhrs. The gross deliveries to Baltimore over this line are well in excess of 300 million kwhrs per year.

Line 6 - This line has no other use except for Baltimore. It is not directly connected with the interconnected system network.

Lines 7, 8 and 9 - The allocation of the investment in the Westport and Riverside lines and in Manor substation has been discussed at some length earlier herein. After consideration of the available information, the purpose of the lines, and their probable future use, 85% of the investment has been allocated to Baltimore. Further discussion of this allocation is contained in the notes to Schedule A, Table No. 1, Lines 7, 8 and 9.

Lines 10 and 11 - For the reasons already discussed herein, the entire investment in the Ellicott line and switching station is allocated to Baltimore.

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Schedule B
Table No. 1
Notes

Line 12 - The 25 cycle investment in the Holtwood substation has been determined from the records of the company as \$630,963. As in the 1944 study, 92% of this substation investment has been allocated to Baltimore.

Lines 13 to 25 - No part of the investment in these items of transmission plant has been allocated to Baltimore. These lines and facilities are for service to other utility customers and the Pennsylvania Railroad. Some of the interchange energy from these other customers might reach Baltimore, but no allowance is made for such instances since the amount would be relatively small.

Line 28 - Intangible and general plant has been allocated to Baltimore in proportion to the percent that the allocated total production and transmission is to the total plant.

Line 30 - The total working capital of \$977,160 is composed of the following items (See Exhibit 23):

Materials and Supplies	-----	\$325,012
Coal	-----	164,056
Cash	-----	488,092

No part of the coal allowance is allocated to Baltimore. Materials and supplies are allocated in proportion to investment and cash in proportion to operating expenses as follows:

Item	Total	Percent to Baltimore	Amount to Baltimore
Materials and Supplies	\$ 325,012	54.1	\$ 175,831
Cash	488,092	41.9	204,511
Coal	164,056	0	-
Total	\$ 977,160	38.9	\$ 380,342

Line 32 - There is no breakdown in the record of the total depreciation reserve of \$6,178,657. At transcript page 9899 there is a breakdown of the \$6,000,000 reserve, as of 12/31/45.

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Schedule B
Table No. 1
Notes

By applying the same ratios as are found in this breakdown, the reserve of \$6,178,657 is divided as follows:

	<u>Reserve</u>
Hydro plant - - - - -	\$2,960,600
Steam plant - - - - -	1,374,750
Transmission plant - - - - -	1,596,150
General plant - - - - -	247,157

The depreciation reserve as submitted by the company is not based on any age or service life formula. In fact, approximately \$1,500,000 of the total \$6,000,000 is an allowance or reserve for contingencies. Under the circumstances, the reserve applicable to the property allocated to Baltimore is apportioned on a per dollar of investment basis as follows:

Item	Total Reserve	Investment Ratio	Reserve Allocated to Baltimore
Hydro plant	\$2,960,600	67.2%	\$1,989,523
Steam plant	1,374,750	40	-
Transmission	1,596,150	55.0%	877,883
General	<u>247,157</u>	<u>54.1%</u>	<u>133,712</u>
Total	\$6,178,657	48.6%	\$3,001,118

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Schedule B - Table No. 2
Notes

Line 1 - The records of Penn Water do not show the amount of operation and maintenance separately for 25 and 60 cycle generating units and facilities. There are many items of expense which are common to the entire plant. This is particularly true of supervision and maintenance of structures. In addition there are a number of items of accessory equipment such as the exciter system, which are common to both 25 and 60 cycle operations.

After consideration of the various factors involved, it appears reasonable to allocate 76% of this item to 25 cycle operations. The relative 25 cycle generation is 75% of the total, the relative rated capacity 78.5%, and number of units, 80%. Using 76%, the amount allocated to 25 cycle is \$306,200. Of this total, 92% or \$281,704, is allocated to Baltimore in the same manner as the 25 cycle hydro investment was allocated.

Line 4 - The transmission expense for each of the major lines is available from company records. These expenses are allocated to Baltimore on the same basis as the investment allocation. The load dispatching and Holtwood substation expenses are split 50-50 between 25 and 60 cycle operations. Baltimore is allocated 92% of the 25 cycle expense. The detail of the allocation follows:

Item	Expense	Percent to Baltimore	Allocated to Baltimore
Westport and Riverside Lines and Manor Substation	\$ 81,628	85.0	\$ 69,384
Hightwood Line and Substation and Gunpowder Line	146,705	100.0	146,705
Ellicott Line and Switching Station	13,686	100.0	13,686
Holtwood Substation	47,677	46.0	21,931
Load Dispatching Expense	37,699	46.0	17,342
Balance	81,088	0	
Total	\$408,483	65.9	\$269,048

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Schedule B
Table No. 2
Notes

Line 5 - As outlined in the notes to Schedule A, Table No. 2 it was concluded that Administrative and General Expenses should be allocated 2/3 on the basis of investment and 1/3 on the basis of operating expenses. In 1946, however, the regulatory commission expense alone comprised over 1/3 of the total administrative and general expenses. In view of this fact, this part of the item is allocated separately in proportion to the investment and the balance allocated 2/3 in proportion to investment and 1/3 in proportion to operating expenses, as follows:

	Amount	Percent to Baltimore	Amount to Baltimore
Regulatory Commission Expense	\$319,559	54.1	\$172,881
Bal. Proportional to Investment	391,148	54.1	211,611
Bal. Proportional to Expenses	195,574	36.8	71,972
Total	\$906,281	50.4	\$456,463

Lines 6 and 7 - For the reasons previously outlined herein, no part of the payments made to Safe Harbor are allocated to Baltimore. The same reasons are applicable to the cost of purchased interchange.

Line 9 - At transcript page 4463, the total annual depreciation expense has been subdivided by major plant accounts. In the absence of any more detailed breakdown of this expense it has been allocated within each class of property in proportion to investment. The detail of the allocation follows:

Item	Total Depreciation Expense	Percent Allocation	Amount Allocated to Baltimore
Hydro plant	\$ 130,000	67.2	\$ 87,360
Steam plant	110,000	.0	
Transmission	130,000	55.0	71,500
General plant	30,000	54.1	16,230
Total	\$ 400,000	43.8	\$175,090

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Schedule B
Table No. 2
Notes

Line 10 - Taxes have been divided into four groups: (1) Pennsylvania taxes proportional to the investment in Pennsylvania, (2) Maryland taxes proportional to the investment in Maryland, (3) Federal taxes proportional to operating expenses and (4) Federal taxes proportional to the return or operating income. No part of the Pennsylvania gross receipts or PUC taxes are allocable to Baltimore.

For purposes of allocating the Maryland and Pennsylvania taxes, an analysis was made of the investment in each state and the proportion of such investment allocated to Baltimore herein. On the basis of this analysis, 48.4% of the Pennsylvania, and 84.4% of the Maryland taxes have been allocated to Baltimore.

A summary of the allocation made follows:

Item	Total Tax	Percent to Baltimore	Allocated to Baltimore
Pa. - Income, Capital Stk, Prop. & Misc.	\$ 169,404	48.4	\$ 81,992
Gross Receipts and PUC - Pa.	26,826	0	
Md. - Income, Capital Stk, Prop. & Misc.	71,343	84.4	60,213
Federal - Unemployment and Old Age	27,060	41.9	11,338
Federal Income and Capital Stock	<u>800,348</u>	<u>54.1</u>	<u>432,988</u>
Total	\$1,094,981	53.6	\$ 589,531

Line 11 - The allocated return shown in Column 2 of this line is 6 1/2% on the allocated investment plus working capital of \$20,092,673, less 3% of the allocated depreciation reserve of \$3,001,118.

PENNSYLVANIA WATER & POWER COMPANY
and Susquehanna Transmission Company of Maryland,
A Wholly Owned Subsidiary

STATEMENT SHOWING RECONCILIATION OF F.P.C. STAFF'S
RECOMMENDED DISALLOWANCES FROM COMPANY'S ELECTRIC
PLANT ACCOUNTS PURSUANT TO EXHIBIT 51, SCHEDULE 2,
AND TESTIMONY AS PRESENTED BY WITNESS NEWLANDS
WITH PENN WATER EXHIBIT NO. 25, CONSOLIDATED
STATEMENT SHOWING ORIGINAL COST OF ELECTRIC PLANT
AS OF DECEMBER 31, 1945

PENNSYLVANIA WATER & POWER COMPANY

and Susquehanna Transmission Company of Maryland, A Wholly Owned Subsidiary

Summary of Reconciliation of P.P.C. Staff's Recommended
 Disallowances from Co.'s Electric Plant Accounts
 Pursuant to Exhibit 51, Schedule 2 and Testimony as
 Presented by Witness Newlands with Penn Water Exhibit
 No. 25, Consolidated Statement Showing Original
 Cost of Electric Plant as of Dec. 31, 1945

Item No.	Explanation	Amount
<u>Staff Exhibit 51, Schedule 2</u>		
1	Electric Plant as Adjusted	
1	In Service	\$ 5,241,236.22
2	In Process of Reclassification	27,679,502.01
3	Total Electric Plant as Adjusted (Ex. 51, Sch. 2, Sheets 1 & 4)	\$32,920,738.23
4	Plus: Construction Work in Progress (Tr. p.1080)	30,124.69
5	Total Electric Plant Recommended for Allowance by Staff	\$32,950,862.72
<u>F.P.C. Staff Recommended Disallowances for Electric Plant as Per Reconciliation Statement Attached</u>		
6	Electric Plant in Service and In Process of Reclassification (Item 87, Col. (e))	\$3,468,688.17
7	Construction Work in Progress (Item 88, Col. (e))	207,237.30
8	Property Held for Future Use (Item 89, Col. (e))	77,918.28
9	Total Recommended for Disallowance (Item 90, Col. (e))	\$ 3,753,843.75
10	Total Original Cost of Electric Plant Per Penn Water Exhibit 25 (Items 5 plus 9)	\$36,704,706.47
<u>Less: Disallowed Items Agreed To By Company</u>		
11	Ceded by Penn Water Since Filing Ex. 25, per Reconciliation Statement (Item 90, Col. (f))	\$ 89,818.60
12	Rental received from Gunpowder Line Nov. 16, 1924 to Mar. 31, 1925	9,187.79
13	Total Disallowed Items Agreed To By Company	\$99,006.39
14	Net Revised Original Cost of Electric Plant As Of Dec. 31, 1945 (Items 10 - 13)	\$36,605,700.08

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PENNSYLVANIA WATER & POWER COMPANY
and Susquehanna Transmission Company of Maryland, a Wholly Owned Subsidiary
Statement Showing Reconciliation of F.P.C. Staff's Disallowances from Company's Books of Account Pursuant
To Exhibit 51, Schedule 2 with Penn Water Exhibit 25

Item No.	Ex.51 Entry No.-Sch.8	Explanation	Staff Disallowances Per Adjusting Entries (Ex.51.Sch.8)	Disallowances Conceded By Co. In Exhibit 25 (a)	Net Staff Dis- allowances From Books Per Adjusting Entries (a-b)	Adj'l. Co. Claims Included In Ex.25 But Not Allowed By Staff (d)	Disallowances At Issue In Proceedings (e)	Disallowances Agreed To By Company (f)	Disallowances Protested By Company (g)
1, 2 & 3		Interest During Construction Prior to Beginning of Commercial Operation Oct. 1, 1911							
1		McCall Ferry Power Co. - 4/14/05 to 12/31/09	\$1,452,027.11						
2		J. E. Aldred, Receiver - 7/17/09 to 12/31/09	4,022.82						
3		Bondholder Committee - 10/14/09 to Dec. 1909	44.32						
4		Total Interest 4/14/05 to 12/31/09 (Sch.A-1)	\$1,456,094.25						
5		Less - Allowed by Staff (Ex.51, Sch. 15)	1622,150.87	\$ 833,943.38	\$ 833,943.38		\$ 833,943.38		\$ 833,943.38(A)
6		Pa. Water & Power Co. 1910 (Schedule A-4)	\$ 568,478.38						
7		Less - Allowed by Staff, (Ex.51, Sch. 16)	479,232.72	89,245.66	89,245.66		89,245.66		89,245.66(A)
8		Pa. Water & Power Co. 1/1 to 9/30/11 (Sch.A-4)	\$ 498,845.33						
9		Less - Allowed by Staff (Ex. 51, Sch. 17)	25,978.07	192,632.64	7,395.10	191,237.54	281,629.72	472,867.26	472,867.26(A)
10		Less - Interest on Portion of J.E.Aldred compensation for Management Services conceded as improperly included in Original Cost at Transcript pages 8222-26 (Schedule A-7)							
11		Total Interest During Construction Prior to Oct. 1, 1911 (Items 5, 7 and 9)	\$1,121,821.62	7,395.10	\$ 1,114,426.58	\$ 281,629.72	\$ 1,396,056.30	\$ 17,549.62	(17,549.62)
12	4	Operating Income During Construction							
13		Pa. Capital Stock Tax and Legal Fees 1910, Charged to Operating Expenses in 1911 and 1912	\$ (3,450.00)	\$ -	\$ (3,450.00)		\$ (3,450.00)		\$ (3,450.00)
14		Operating Income Jan. 1 to Sept. 30, 1911. (Schedule B)	\$ (3,450.00)	\$ -	\$ (3,450.00)		\$ (173,688.11)		\$ (173,688.11)
		Total Operating Income During Construction (Items 12 and 13)	\$ (3,450.00)	\$ -	\$ (3,450.00)		\$ (173,688.11)		\$ (177,138.11)
15	1	Certain Costs Incurred in Period 11/1/07 to 8/31/09 (Schedule C)	\$ 143,981.46	\$ -	\$ 143,981.46		\$ 143,981.46		\$ 143,981.46
16	1	McCall Co. Stock Issued to Hutchinson as part consideration for land and water power rights - 18,840 shares common stock @ \$25 per share (Ex. 51, Sch. 12c)(Ex. 26, pp. 43, 50 and 53)	471,000.00		471,000.00		471,000.00		471,000.00
17	1	McCall Co. Stock issued for Organization Expenses of Company - 10 shares Common @ \$25 per share (Ex. 51, Sch. 12c)(Ex. 26, pp. 34, 50 and 53)	250.00		250.00		250.00		250.00
18	1	McCall Co. Stock issued to Harlow-McGraw as part consideration for land and water power rights - 1,000 shs. Common @ \$25 per share (Ex.51, Sch.12c) (Ex. 26, pp.31, 50 and 53)	25,000.00		25,000.00		25,000.00		25,000.00
19	1	McCall Co. Stock issued to C. D. Pullen as part consideration for Options on Harlow-McGraw Properties - 150 shs. common @ \$25 per sh. (Ex.51,Sch.12c) (Ex. 26, pp.32, 50 and 53)	3,750.00		3,750.00		3,750.00		3,750.00
20	1	McCall Co. Stock issued to Harvey Fisk & Sons for Management Services (Ex. 26, pp. 50 to 53, incl.)	199,570.31		199,570.31		199,570.31		199,570.31
21	1	Penn Water Stock Issued to J.E.Aldred for Management Services for period Nov. 1, 1908 to Oct. 31, 1912 - 5,000 shs. @ \$60 per share - \$300,000 (Schur-8) Portion applicable to constr. period 11/1/08 to 9/30/11 on a prorated basis	218,750.00		218,750.00		218,750.00		218,750.00
		(A) See Schedule A attached.							

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PENNSYLVANIA WATER & POWER COMPANY
and Susquehanna Transmission Company of Maryland, A Wholly Owned Subsidiary
Statement Showing Reconciliation of F.P.C. Staff's Disallowances from Company's Books of Account Pursuant
To Exhibit 51, Schedule 2 with Penn Water Exhibit 25

Item No.	Ex. 51 Entry No.-Sch. 8	Explanation	Staff Disallowances For Adjusting Entries (Ex. 51, Sch. 8) (a)	Disallowances Conceded by Co. In Exhibit 25 (b)	Net Staff Dis- allowances From Books Per Adjusting Entries (a-b) (c)	Add'l. Co. Claims Included in Ex. 25 But Not Allowed By Staff (d)	Disallowances at Issue In Proceedings (e)	Disallowances Agreed To By Company (f)	Disallowances Protested By Company (g)
22	1	Stock Issue Expense McCall Co. bond issue expense applicable to Penn Water Stock exchanged for McCall Co. bonds (Schedule D)	\$ 331,703.15	\$ 1,056.53	\$ 331,703.15	\$ -	\$ 331,703.15	\$ -	\$ 331,703.15
23	12	Stock Issue expense (Ex. 51, Schedule 23)	82,963.12	81,906.59	81,906.59	-	81,906.59	-	81,906.59
24	7	Promotion expenses (Ex. 51, Schedule 18)	30,787.34	1,185.75	29,601.59	-	29,601.59	-	29,601.59
25	18	Listing fees for Penn Water stock and bonds	-	-	-	2,487.00	2,487.00	2,487.00	2,487.00
26		Total Stock Issue Expense (Items 22, 23, 24 and 25)	\$ 445,453.61	\$ 2,242.28	\$ 443,211.33	\$ 2,487.00	\$ 445,698.33	\$ 2,487.00	\$ 443,211.33
27	1	Value in Aug. 1908 of \$703,000 Susquehanna Power Co. bonds and 1,500 shares Susquehanna Properties Co. stock issued in exchange for McCall Co. properties and water power rights located below Gully's Falls	\$ 98,500.00	\$ 61,436.02	\$ 37,063.98	-	\$ 37,063.98	-	\$ 37,063.98
28		Value in Aug. 1908 per Staff Ex. 51, Sch. 12c	\$ 200,000.00						
29		Less: Value in Aug. 1908 as determined by Co. by discounting at rate of 6% sale price in 1912 back to Aug. 11, 1908	162,936.02						
30		Profit on certain properties sold to Safe Harbor Corp. (Schedule E)	-	-	-	\$ 119,940.20	119,940.20	-	119,940.20
31	9	Land and Water Power Rights acquired by Penn Water since Dec. 31, 1909 Flowage Basin Acct. 1910 to 1924, Incl. (Ex. 51, Sch. 20) (Schedule F)	182,677.81	9,492.37	173,185.44	-	173,185.44	22,838.57	150,346.87 (B)
32	9	Flowage Basin Acct. 1925 to 1936, Incl. (Ex. 51, Sch. 21) (Schedule F)	69,859.72	10,180.71	59,679.01	-	59,679.01	32,395.64	27,283.37 (B)
33	8	Survey of Storage reservoir sites (Ex. 51, Sch. 19)	26,920.03	11,045.18 (C)	15,874.85	-	15,874.85	3,454.08 (C)	12,420.77 (C)
34	20	Intercompany profit on land (Ex. 51, Sch. 27)	24,151.83	-	24,151.83	-	24,151.83	-	24,151.83
35		Additional cost of property charged in error to Operating Expenses when incurred (Schedule G)	-	-	-	1,427.42	1,427.42	-	1,427.42
36		Totals-Land and Water Power Rights Acquired by Penn Water 33, 34 and 35 Since Dec. 31, 1909 (Items 31, 32, 33)	\$ 303,609.39	\$ 30,718.26	\$ 272,891.13	\$ 1,427.42	\$ 274,318.55	\$ 58,688.29	\$ 215,630.26
37	9	Conowingo Backwater Agreement Lower development study Job C-283-8 (Ex. 51, Sch. 21a)	\$ 38,804.95	\$ -	\$ 38,804.95	-	\$ 38,804.95	\$ -	\$ 38,804.95
38		Legal services of Simpson, Thacher & Bartlett in 1923 (Ex. 51, Sch. 20c)	200.00	-	200.00	-	200.00	-	200.00
39		Traveling Expenses of J.A. Wallt re: Conowingo Contract (Ex. 51, Sch. 21b)	296.51	-	296.51	-	296.51	-	296.51
40		Totals - Conowingo Backwater Agreement	\$ 39,301.46	\$ -	\$ 39,301.46	\$ -	\$ 39,301.46	\$ -	\$ 39,301.46
41	8	Costs relating to construction of Holtwood-Lancaster Transmission Line (Ex. 51, Sch. 19)	\$ 12,459.23	\$ -	\$ 12,459.23	\$ -	\$ 12,459.23	\$ -	\$ 12,459.23
42	21	Engineering expense relating to construction of Takoma Park Substation (Ex. 51, Sch. 8, Entry 21)	\$ 5,668.48	\$ -	\$ 5,668.48	\$ -	\$ 5,668.48	\$ -	\$ 5,668.48

(B) See Schedule F attached

(C) See Schedule F-3 attached

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PENNSYLVANIA WATER & POWER COMPANY
and Susquehanna Transmission Company of Maryland, A Wholly Owned Subsidiary

Statement Showing Reconciliation of F.P.C. Staff's Disallowances from Company's Books of Account Pursuant
To Exhibit 51, Schedule 2 with Penn Water Exhibit 25

Item No.	Ex. 51 Entry No.-Sch. 8	Explanation	Staff Disallowances				Add'l Co. Claims Included in Ex. 25 But Not Allowed By Staff	Disallowances At Issue In Proceedings (e)	Disallowances Agreed To By Company (f)	Disallowances Protected By Company (g)
			Per Adjusting Entries (Ex. 51, Sch. 6)	Disallowances Conceded by Co. In Exhibit 25 (a)	Net Staff Dis- allowances From Books Per Adjusting Entries (a-b)	(c)				
1		Materials and Supplies (Schedule H)								
43		Loss in materials and supplies to Dec. 31, 1909	\$ 4,062.70	\$ -	\$ 4,062.70	\$ -		\$ 4,062.70		\$ 4,062.70
44		Loss due to write-down of value of cement by Receiver	8,970.34		8,970.34			8,970.34		8,970.34
45		Total Materials and Supplies (Items 43 and 44)	13,033.04		13,033.04			13,033.04		13,033.04
46	8	Flashboard Development Costs								
47	11	Roller Dam Investigation (Ex. 51, Sch. 19)	\$ 4,793.91	\$ -	\$ 4,793.91	\$ -		\$ 4,793.91		\$ 4,793.91
48		Development Costs of Flashboards (Ex. 51, Sch. 22)	44,961.06		44,961.06			44,961.06		44,961.06
		Total Flashboard Costs (Items 46 and 47)	49,754.97		49,754.97			49,754.97		49,754.97
49	1	Susquehanna Contracting Co. Expenses (Schedule I)	\$ 6,621.85	\$ -	\$ 6,621.85	\$ -		\$ 6,621.85		\$ 6,621.85
50	13	Holtwood Power Co. Construction Fee (Ex. 51, page 48)	50,194.73		50,194.73			50,194.73		50,194.73
51	14	Holtwood Power Co. Organization Expense (Ex. 51, Sch. 24) (Schedule J)	28,213.34		28,213.34			28,213.34	10,338.00	17,875.34
52	22	Riverside Line - Four (4) Unused Tower Foundations (Ex. 51, Sch. 8, Entry 22)	3,595.95		3,595.95			3,595.95		3,595.95
53	18	Physical Items of Property which were Originally Charged In Error To Operating Expenses and Depreciation Reserve (Schedule K)								
54	23	Items Originally Charged in Error to Operating Expense	\$ (76,915.93)	\$ (76,915.93)	\$ -		\$ 141,275.09	\$ 6,558.63	\$ 134,716.46	
55	24	" " " " Deprn. Reserve	(122,458.49)	(122,488.49)			59,220.64	59,220.64	(2,797.88)	62,018.52
		Property Physically Retired But Not Credited to Plant Account on Books	343,928.42	343,928.42			(109,028.12)	(109,028.12)	(8,409.98)	(100,618.14)
56		Total Claims Based on Corrections of Acct'g. Errors (Items 53, 54, & 55)	144,524.00	144,524.00	\$ -		91,467.61	91,467.61	(4,649.23)	96,116.84 (E)
57		Holtwood Church (Schedule L)					\$ 1,400.00	\$ 1,400.00	\$ -	\$ 1,400.00
58	1	McCall Ferry Co. - Value of Capital Stock acquired from Hutchinson	(200.00)		(200.00)			(200.00)		(200.00)
59	1	McCall Co. Cash not accounted for by Receiver (Schedule M)	130.99		130.99			130.99		130.99
60	9 & 10	River Coal Investigation Expense (Schedule N)	6,132.41		6,132.41			6,132.41		6,132.41
61		Interest During Construction not previously recorded in Plant Account - Applicable to Period 1912 to 1936, Incl. (Schedule O)					6,884.94	6,884.94	6,884.94	
		(D) See Schedule K-4 attached								
		(E) See Schedules K and K-1 to K-3, inclusive, attached								

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PENNSYLVANIA WATER & POWER COMPANY
and Susquehanna Transmission Company of Maryland, A Wholly Owned Subsidiary

Statement Showing Reconciliation of F.P.C. Staff's Disallowances from Company's Books of Account Pursuant
To Exhibit 51, Schedule 2 with Penn Water Exhibit 25

Item No.	Ex. 51 Entry No. Sch. 8	Explanation	Staff Disallowances	Disallowances Conceded by Co.	Net Staff Dis- allowances From Books For Adjusting Entries (a-b)	Add'l Co. Claims Included in Ex. 25 But Not Allowed By Staff	Disallowances At Issue In Proceedings (a-d)	Disallowances Agreed To By Company	Disallowances Protested By Company (e-f)
			(a)	(b)	(c)	(d)	(e)	(f)	
1 & 5		Excess of Penn Water Recorded Book Value Over Original Cost of Plant Acquired From Bondholders Committee As Of Jan. 13, 1910	\$1,903,897.74	\$1,903,897.74	\$	-	-	-	-
62		Amount conceded for purpose of case	81,250.00	81,250.00	-	-	-	-	-
63		Aldred Management Fee applicable to 10/1/11 to 10/31/12	-	-	-	-	-	-	-
64		Excess of Sale Price over 50% of Par Value of 371 shares of Capital Stock sold in 1912	8,061.83	8,061.83	-	-	-	-	-
65		Stocks of Inactive Subsidiaries Revalued in Reclassification	(25,820.00)	(25,820.00)	-	-	-	-	-
66	1	Reversal of entry setting up cement inventory at 12/31/09, (Penn Water Entry J61 Dec. 1911) (Ex. 51, Sch. 11)	6,535.01	-	6,535.01	-	6,535.01	6,535.01	-
67		Total - (Items 62, 63, 64 and 65)	\$1,973,924.58	\$1,967,389.57	\$ 6,535.01	\$ 6,535.01	\$ 6,535.01	\$ 6,535.01	\$ 6,535.01
68	6	Rebate of Railroad Relocation Costs (Ex. 51, Sch. 8)	\$ 200,000.00	\$ 200,000.00	\$	-	-	-	-
69	15	Spare Machine Parts & Equipment in Electric Plant Prior to 1937 (Ex. 51, Sch. 8)	21,057.74	21,057.74	-	-	-	-	-
70	16	Uncompleted Engineering Studies (Ex. 51, Sch. 8)	922.22	922.22	-	-	-	-	-
71	17	Elimination of Incorrect Charges and Credits from Plant Account (Ex. 51, Sch. 25)	(60,084.19)	(60,084.19)	-	-	-	-	-
72	19	Adjustments to Overhead Costs of Westport Line Due to Change In Date It Was Placed In Service (Ex. 51, Sch. 8)	26,234.97	26,234.97	-	-	-	-	-
73	25	Sundry Expenditures for Associated Companies (Ex. 51, Sch. 8)	1,028.50	1,028.50	-	-	-	-	-
74	26	Real Estate and Rights-of-Way Held for Future Use (Ex. 51, Sch. 8)	78,343.06	-	78,343.06	-	78,343.06	-	78,343.06
75	27	Non-Project Property and Hydraulic Test Laboratory (Ex. 51, Sch. 8)	59,915.65	59,915.65	-	-	-	-	-
76	28	Adjustments for Duplicate Retirements and Misc. Sales 1/1/37-12/31/44 (Ex. 51, Sch. 8)	\$ (7,489.71)	\$ (7,489.71)	-	-	-	-	-
77		Duplicate Retirements	(10,864.50)	(10,864.50)	-	-	-	-	-
78		Other Physical Property	(2,620.81)	-	(2,620.81)	-	(2,620.81)	-	(2,620.81)
79		Electric Plant Held For Future Use	1,000.00	(1,000.00)	-	-	-	-	-
80		Receivables from Associated Companies	\$ (21,975.02)	\$ (19,354.21)	\$ (2,620.81)	\$ (2,620.81)	\$ (2,620.81)	\$ (2,620.81)	\$ (2,620.81)
		Totals - (Items 76, 77, 78 and 79)							

Page 5 of 5

PENNSYLVANIA WATER & POWER COMPANY
and Susquehanna Transmission Company of Maryland, A Wholly Owned Subsidiary

Statement Showing Reconciliation of F.P.C. Staff's Disallowances from Company's Books of Account Pursuant
to Exhibit 51, Schedule 2 With Penn Water Exhibit 25

Item No.	Ex.51 Entry No.-Sch.8	Explanation	Staff Disallowances Per Adjusting Entries (Ex. 51, Sch. 8)	Disallowances Conceded by Co. In Exhibit 25 (a)	Net Staff Dis- allowances From Books Per Adjusting Entries (a-b)	Add'l. Co. Claims Included in Ex.25 But Not Allowed By Staff (c)	Disallowances At Issue In Proceedings (c-d)	Disallowances Agreed To By Company (e)	Disallowances Protested By Company (e-f)
29		Adjustments for Duplicate Retirements and Miscellaneous Sales 1945 (Ex. 51, Sch.8)	\$ (710.51)	\$ (710.51)	\$ -	\$ -	\$ -	\$ -	\$ -
61		Duplicate Retirements	\$ (2,330.00)	\$ (2,330.00)	\$ -	\$ -	\$ -	\$ -	\$ -
62		Other Physical Property							
63		Totals - (Items 61 and 62)	\$ (3,540.51)	\$ (3,540.51)	\$ -	\$ -	\$ -	\$ -	\$ -
84		Items Excluded from Company Ex. 25 But Allowed by F.P.C. Staff in Ex. 51. (Schedule P)	\$ -	\$ 10,746.86	\$ (10,746.86)	\$ -	\$ (10,746.86)	\$ (8,015.03)	\$ (2,731.83)
85		Total Adjustment of Electric Plant in Service	\$5,663,493.90	\$2,450,632.26	\$ 3,212,861.64	\$ 331,548.78	\$3,544,410.42	\$ 89,818.60	\$3,454,591.82
86		Adjustment for Electric Plant Held For Future Use (Ex. 51, Sch. 2, Sheet 1)	\$ (75,722.25)	\$ -	\$ (75,722.25)	\$ -	\$ (75,722.25)	\$ -	\$ (75,722.25)
87		TOTALS - ELECTRIC PLANT IN SERVICE - (Items 85 and 86)	\$5,587,771.65	\$2,450,632.26	\$ 3,137,139.39	\$ 331,548.78	\$3,468,688.17	\$ 89,818.60	\$3,378,869.57
88		Construction Work in Progress (Schedule Q)	\$ 207,237.30	\$ -	\$ 207,237.30	\$ -	\$ 207,237.30	\$ -	\$ 207,237.30
89		Property Held For Future Use (Ex. 51, Sch. 7)	\$ 77,918.28	\$ -	\$ 77,918.28	\$ -	\$ 77,918.28	\$ -	\$ 77,918.28
90		GRAND TOTALS - (items 87, 88 and 89)	\$5,872,927.23	\$2,450,632.26	\$ 3,422,294.97	\$ 331,548.78	\$3,753,843.75	\$ 89,818.60	\$3,664,025.15

Schedule A

PENNSYLVANIA WATER & POWER COMPANY
and Susquehanna Transmission Company of Maryland, A Wholly-Owned Subsidiary

Interest During Construction

Schedule Showing Basis for Disallowance by F.P.C. Staff

Item
No.

ExplanationEntry 1

1	Interest Applicable to Period Nov. 1, 1907 to Aug. 31, 1909 (Schedule A-2)	\$ 701,758.29
2	Interest for period April 14, 1905 to Dec. 31 1909 on Items Disallowed by Staff (Schedule A-3)	205,540.98
3	Total Disallowed	\$ 907,299.27
	Less: Interest on Working Capital Allowed by Staff but not Claimed by Company	
4	Exhibit 51 - Schedule 15a	\$ 69,549.83
5	" 51 - " 15b	3,806.06
6	Net Disallowance - Entry 1	\$ 833,943.38

Entry 2

7	Interest for year 1910 on Items Disallowed by Staff (Schedule A-5)	\$ 94,261.10
	Less: Interest on Working Capital Allowed by Staff but not Claimed by Company	
8	Exhibit 51 - Schedule 16a	5,015.44
9	Net Disallowance - Entry 2	\$ 89,245.66

Entry 3

10	Interest for period Jan 1 to Sept. 30, 1911 (Sch A-6)	
11	Charged to Profit & Loss Acct. (Sch A-6a)	\$ 281,629.72
12	" " Plant Account on Books	12,297.75
13	Excess of interest @ 6% on Monthly Additions over interest charged to P. & L. and Plant Accounts	204,917.86
14	Total for Period Jan 1 to Sept. 30, 1911	\$ 498,845.33
15	Less:	
16	Interest on Books Charged to Plant Account Claimed by Company	\$ 12,297.75
17	Interest on Books Charged to Plant Account Disallowed by Company but Allowed by Staff for 1911	7,395.10
18	Additional Interest Allowed by Staff (Exhibit 51, Sch 17)	6,285.22
19	Net Disallowance Entry 3	\$ 25,978.07
20	TOTAL	\$ 472,867.26
	Less:	
19	Adjustment for correction of interest on J. E. Aldred compensation for management services (Sch A-7)	\$ 17,549.62
20	Net difference after adjustment	\$ 378,506.67

PENNSYLVANIA WATER & POWER COMPANY
and Susquehanna Transmission Company of Maryland, A Wholly-Owned Subsidiary

Statement Showing Calculation of Interest During Construction for the Period April 14, 1905 to December 31, 1909

Month	1905		1906		1907		1908		1909	
	Additions (a)	Monthly Balances (b)	Additions (c)	Monthly Balances (d)	Additions (e)	Monthly Balances (f)	Additions (g)	Monthly Balances (h)	Additions (i)	Monthly Balances (j)
January	\$		125,924.20	2,196,704.70	243,479.56	4,325,275.00	77,414.53	7,050,939.58	(36.15)	7,261,000.54
February			104,010.73	2,300,715.43	343,646.66	4,668,921.66	26,758.79	7,077,698.37	2,424.84	7,263,425.38
March			111,879.41	2,412,594.84	369,036.13	5,037,957.79	36,865.38	7,114,563.75	2,125.17	7,265,550.55
April	250.00	250.00	96,103.40	2,508,698.24	320,293.38	5,358,251.17	41,708.45	7,126,272.20	(708.84)	7,264,841.71
May	10,022.22	10,272.22	182,306.76	2,691,005.00	319,283.63	5,677,534.80	42,458.29	7,168,730.49	6,948.56	7,271,790.27
June	1,874,552.31	1,884,824.53	168,097.42	2,859,102.42	280,194.65	5,957,729.45	34,498.84	7,203,229.33	5,996.31	7,277,784.58
July	47,307.00	1,932,131.53	126,596.28	2,985,698.70	210,774.15	6,168,503.60	69,045.59	7,272,274.92	23,980.06	7,301,764.64
August	12,581.25	1,944,712.78	105,870.39	3,091,569.09	262,837.65	6,431,341.26	(114,353.84)	7,157,921.08	6,050.88	7,307,815.52
September	44,813.40	1,989,556.18	180,301.88	3,271,870.97	167,753.87	6,599,095.13	47,630.28	7,205,551.36	51,110.12	7,358,925.64
October	18,414.51	2,008,030.69	246,613.83	3,518,484.80	200,842.50	6,799,937.63	24,565.50	7,230,116.86	147,729.90	7,506,655.54
November	25,583.13	2,033,543.82	275,759.33	3,794,244.13	136,903.56	6,936,841.19	24,233.78	7,254,350.64	126,599.71	7,633,255.25
December	37,236.68	2,070,780.50	287,551.31	4,081,795.44	36,683.86	6,973,525.05	6,686.05	7,261,036.69	90,459.57	7,723,714.82
Total	\$2,070,780.50	13,874,102.25	2,011,014.94	35,712,483.76	2,891,729.61	70,934,913.73	287,511.64	86,122,685.27	462,678.13	88,436,524.44

Interest Computed on
Expenditures at 6%

1/24 of Total Monthly Balances

Less 1/4% of Additions during

construction period

Total Interest For Each Year

Total Interest Accumulated To
End of Each Year

\$ 69,370.51	\$178,562.42	\$354,674.55	\$430,613.43	\$442,182.63
<u>5,170.95</u>	<u>5,027.54</u>	<u>7,329.32</u>	<u>718.78</u>	<u>1,156.70</u>
<u><u>\$ 64,193.56</u></u>	<u><u>\$173,536.88</u></u>	<u><u>\$347,445.23</u></u>	<u><u>\$429,894.65</u></u>	<u><u>\$441,025.93</u></u>
<u><u><u>\$ 64,193.56</u></u></u>	<u><u><u>\$237,728.44</u></u></u>	<u><u><u>\$585,173.67</u></u></u>	<u><u><u>\$1,015,068.32</u></u></u>	<u><u><u>\$1,456,094.25</u></u></u>

() Denotes credit

General Notes

The expenditures by Susquehanna Pole Line Companies, predecessors of Susquehanna Transmission Company of Maryland, are included at the date of the expenditure by the Pole Line Company instead of the date of the advance by the McCall Company to the Pole Line Company.

Additions for the month of August 1908 include a credit of \$162,936.02 for the transfer of property and riparian rights below the dam in exchange for securities of Susquehanna Power Company and Susquehanna Properties Company.

The above expenditures include the values of McCall Company securities issued for properties, services, etc., in addition to cash expenditures.

PENNSYLVANIA WATER & POWER COMPANY
and Susquehanna Transmission Company of Maryland, A Wholly-Owned Subsidiary

Statement Showing Calculation of Interest During Construction Applicable to Period
November 1, 1907 to August 31, 1909

Month	1907		1908		1909	
	Additions (a)	Monthly Balances (b)	Additions (c)	Monthly Balances (d)	Additions (e)	Monthly Balances (f)
January	\$ -	-	66,974.68	6,320,763.83	(3,397.22)	6,417,464.97
February	-	-	14,592.57	6,335,356.40	474.12	6,417,939.09
March	-	-	26,463.27	6,361,819.67	146.72	6,418,085.81
April	-	-	6,861.80	6,368,681.47	(3,432.35)	6,414,653.46
May	-	-	37,776.12	6,406,457.59	5,287.97	6,419,941.43
June	-	-	28,441.55	6,434,899.14	4,007.75	6,423,949.18
July	-	-	52,750.41	6,487,649.55	1,004.81	6,424,953.99
August	-	-	(153,275.22)	6,334,374.33	1,025.88	6,425,979.87
September	-	-	46,334.88	6,380,709.21	-	-
October	-	(Note)	17,459.13	6,398,168.34	-	-
November	130,032.48	6,230,302.15	19,544.78	6,417,713.12	-	-
December	23,487.00	6,253,789.15	3,149.07	6,420,862.19	-	-
Total	\$ 153,519.48	12,484,091.30	167,073.04	76,667,454.84	5,117.68	51,362,967.80

Interest Computed on Expenditures at 6%				
1/2% of Total Monthly Balances	\$62,420.45		\$383,337.27	\$256,814.84
Less 1/4% of Additions during construction period	383.80		417.68	12.79
Total Interest for Each Year	\$62,036.65		\$382,919.59	\$256,802.05
Total Interest Accumulated to End of Period	\$62,036.65		\$444,956.24	\$701,758.29

Note - Accumulated balance of Additions as of October 31, 1907 was \$6,100,269.67

() Indicate decrease

PENNSYLVANIA WATER & POWER COMPANY
and Susquehanna Transmission Company of Maryland, A Wholly-Owned Subsidiary

Statement Showing Calculation of Interest During Construction for Period April 14, 1905 to December 31, 1909
on Items Disallowed by Staff Exhibit 51 (See Schedule A-3a)

Month	1905		1906		1907		1908		1909	
	Disallowances by Month of Expenditure	Monthly Balances								
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
January	\$ -	-	-	699,477.76	8.25	699,576.33	10,439.85	730,175.75	3,361.07	843,535.57
February	-	-	3.75	699,481.51	8.25	699,584.58	12,166.22	742,341.97	1,950.72	845,486.29
March	-	-	15.00	699,496.51	8.25	699,592.83	10,402.11	752,744.08	1,978.45	847,464.74
April	250.00	250.00	64.25	699,560.76	8.25	699,601.08	4,846.65	757,590.73	2,723.51	850,188.25
May	-	250.00	-	699,560.76	.63	699,601.71	4,682.17	762,272.90	1,660.59	851,848.84
June	699,120.31	699,370.31	-	699,560.76	16.75	699,618.46	6,057.29	768,330.19	1,986.56	853,835.40
July	-	699,370.31	-	699,560.76	-	699,618.46	16,295.18	784,625.37	22,975.25	876,810.65
August	81.25	699,451.56	-	699,560.76	-	699,618.46	38,921.38	823,546.75	5,025.00	881,835.65
September	-	699,451.56	-	699,560.76	24.75	699,643.21	1,295.40	824,842.15	200.00	882,035.65
October	-	699,451.56	7.32	699,568.08	24.75	699,667.96	7,106.37	831,948.52	283.56	882,319.21
November	26.20	699,477.76	-	699,568.08	6,871.08	706,539.04	4,689.00	836,637.52	75.00	882,392.21
December	-	699,477.76	-	699,568.08	13,196.86	719,735.90	3,536.98	840,174.50	1,086.74	883,480.95
Total	\$699,477.76	4,896,550.82	90.32	8,394,524.58	20,167.82	8,422,398.02	120,438.60	9,455,230.43	43,306.45	10,381,255.41

Interest Computed on

Disallowances at ~~6%~~

1/2% on Total Monthly Balances

Less 1/4% on Disallowances By

Month of Expenditure

Total Interest For Each Year

Total Interest Accumulated To
End of Each Year

\$ 24,482.75	\$ 41,972.62	\$ 42,111.99	\$ 47,276.15	\$ 51,906.18
1,748.69	.23	50.42	301.10	108.27
\$ 22,734.06	\$ 41,972.39	\$ 42,061.57	\$ 46,975.05	\$ 51,797.91
\$ 22,734.06	\$ 64,706.45	\$ 106,768.02	\$ 153,743.07	\$ 205,540.98

Schedule A-3a
Page 1 of 2

PENNSYLVANIA WATER & POWER COMPANY
and Susquehanna Transmission Company of Maryland, A Wholly-Owned Subsidiary

Summary of Items Disallowed in Staff Exhibit 51 Applicable
to Period April 14, 1905 to December 31, 1910

Item
No.

Description

Item

Amount

1 - PERIOD APR. 14, 1905 to DEC. 31, 1909

Cessation Expenses

1	Cessation Account - Exhibit 51, Schedule 12	\$ 36,445.21
2	Overhead Costs - Exhibit 51, Schedule 12a	77,506.67
3	Salary of Hutchinson after 5/1/09 Exhibit 51, Schedule 13	<u>5,000.00</u> \$118,951.88

Based on Value of McCall Co. Stock

4	Organization Expense - 10 shares at \$25	250.00
5	Hutchinson property - 18,840 shares at \$25	471,000.00
6	HarloweicGaw. property - 1,000 shares at \$25	25,000.00
7	Pullen option - 150 shares at \$25	3,750.00
8	Harley Fisk & Sons Management Fee	<u>199,570.31</u> 699,570.31

9 Stock Account "J" - Materials & Supplies not used

21,341.94

Value Assigned to Susquehanna Power Co. Bonds

10	Value assigned by Staff in Exhibit 51	200,000.00
11	Less value assigned by company	<u>162,936.02</u> 37,063.98

Susquehanna Contracting Co. Expense

12	Officers Salaries and Expenses	5,499.70
13	Printing and Stationery	316.40
14	Cost of dissolution	<u>805.75</u> 6,621.85

15. McCall Co. cash not recorded as received
by J.E.A. Receiver

130.99

16. Value of McCall Ferry Power Co. stock obtained with
the acquisition of property from Hutchinson

(200.00)

17. Total - 1905 to 1909

\$883,480.95

II - YEAR 1910

Materials and Supplies

18	Old cement used in construction in 1910 not inventoried (See Ex. 51, Sch. 11) (Contra to Item 9)	\$ (8,308.90)
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Based on Value of McCall Co. Stock

19	Stock issue expense applicable to P.W.&P. stock exchanged for McCall Co. bonds	331,703.15
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Schedule A-3a
Page 2 of 2

Item No.	Description	Item	Amount
<u>11 - YEAR 1910 - (Concl'd)</u>			
	Claims against McCall Ferry Power Company (See Ex. 51, Schedule 14)		
20	Hugh L. Cooper, Balance of Completion Bonus		\$15,819.06
21	Sanderson & Porter, Fee for Period Nov. 1907 to Dec. 1908	9,210.52	\$ 25,029.58
<u>Survey of Storage Reservoir Sites (See Ex. 51, Schedule 19)</u>			
22	Survey Work		\$ 818.41
23	General Office Charges		50.00
24	Automobile Expenses		132.28
25	Harrisburg Office Expense		358.92
26	Salary W. E. Bennett		353.48
27	W. E. Bennett - Investigation of Reservoir Sites	2,400.00	4,113.09
<u>Lancaster Transmission Line - (See Ex. 51, Sch. 19)</u>			
28	Right of Way Surveys		\$ 2,764.11
29	Distribution of Salaries and Wages		90.70
30	Miscellaneous Expenses and Overheads	37.25	2,892.06
<u>Promotion Expenses - (See Ex. 51, Schedule 18)</u>			
31	Entertainment and Special Trains		591.54
<u>Based on Value of Penn Water Stock</u>			
32	J. E. Aldred Management Fee - 5,000 shares @ \$60		300,000.00
33	J. E. Aldred Management Fee -- (Portion Duplicated in error)		89,965.75
34	Total - 1910		\$ 745,986.27
35	TOTAL FOR PERIOD APRIL 14, 1905 TO DECEMBER 31, 1910		\$1,529,467.22

PENNSYLVANIA WATER & POWER COMPANY
and Susquehanna Transmission Company of Maryland, A Wholly-Owned SubsidiaryStatement Showing Calculation of Interest During
Construction Applicable to the Year 1910

Month	Additions (a)	Monthly Balances (b)
Balance - December 31, 1909		\$ 7,723,714.82
January	\$ 777,962.69	\$ 8,501,677.51
February	164,583.08	8,666,260.59
March	36,447.60	8,702,708.19
April	62,068.08	8,764,776.27
May	394,250.46	9,159,026.73
June	170,328.28	9,329,355.01
July	517,116.41	9,846,471.42
August	339,608.61	10,186,080.03
September	59,706.21	10,245,786.24
October	232,554.56	10,478,440.80
November	90,219.22	10,568,660.02
December	200,488.63	10,769,148.67
Total	\$3,045,433.85	\$115,218,391.48
<u>Interest Computed on Expenditures at 5%</u>		
1/2% of Total Monthly Balances		
Less 1/4% of Additions during construction period		
Total Interest for Year		
		\$ 575,091.96
		7,613.58
		\$ 568,478.38

Schedule A-5

PENNSYLVANIA WATER & POWER COMPANY
and Susquehanna Transmission Company of Maryland, A Wholly Owned Subsidiary

Statement Showing Calculation of Interest During
Construction for Year 1910 on Items Disallowed
by Staff Exhibit 51 (See Schedule A-3a)

Month	Disallowances (a)	Monthly Balances (b)
Balance - December 31, 1909		\$ 883,480.95
January	\$ 708,912.56	1,592,323.51
February	9,185.70	1,601,579.21
March	(20,458.48)	1,581,120.73
April	(44,948.92)	1,536,171.81
May	73,000.51	1,609,177.32
June		1,609,177.32
July		1,609,177.32
August	435.07	1,609,612.39
September	7,444.50	1,617,056.89
October	(1,657.89)	1,615,399.00
November	(518.69)	1,614,880.31
December	14,586.91	1,629,467.22
Total	\$ 745,986.27	\$19,225,213.03

Interest Computed on Disallowances at 6%	
1/2% of Total Monthly Balances	\$ 96,126.07
Less 1/4% of Disallowances during construction period	1,864.97
Total Interest For Year	\$ 94,261.10

() Denotes Credit

C
Schedule A-6

PENNSYLVANIA WATER & POWER COMPANY
and Susquehanna Transmission Company of Maryland, A Wholly-Owned Subsidiary

Statement Showing Calculation of Interest During Construction
Applicable to the Period January 1, 1911 to September 30, 1911

<u>Month</u>	<u>Additions</u> (a)	<u>Monthly Balances</u> (b)
Balance - December 31, 1910		\$ 16,769,148.67
January	\$ 75,223.04	\$ 16,844,371.71
February	57,077.88	10,901,449.59
March	28,888.76	10,930,338.35
April	146,965.75	11,077,304.10
May	156,743.74	11,234,047.84
June	7,447.43	11,241,495.27
July	29,628.57	11,271,123.84
August	(2,876.53)	11,268,247.31
September	(36,015.72)	11,232,231.59
Total	\$463,082.92	\$100,000,609.60

Interest Computed on
Expenditures at 6%
1/2% of Total Monthly Balances \$ 500,003.04
Less 1/4% of Additions during
construction period 1,157.71
Total Interest For Period \$498,845.33

() Denotes credit

Schedule A-6a

PENNSYLVANIA WATER & POWER COMPANY
and Susquehanna Transmission Company of Maryland, A Wholly-Owned Subsidiary

Statement Showing Interest Charged to Profit and Loss
Account During Period Jan. 1 to Sept. 30, 1911

<u>Item No.</u>	<u>Explanation</u>	<u>Amount</u>
1	Interest on \$7,580,000 First Mortgage Five Per Cent Gold Bonds Jan. 1 to Sept. 30, 1911	\$ 284,250.00
2	Miscellaneous bond interest adjustments	(1,383.92)
3	Interest earned on bank balances	(1,236.36)
4	Total	\$ 281,629.72

Schedule A-7

PENNSYLVANIA WATER & POWER COMPANY

Statement Showing Determination of Reduction in
 Interest During Construction Relating to Fee for
 J. E. Aldred Management Services
 (See Transcript pp. 8222 to 8226)

Item
No.

ExplanationAmountSchedule Showing Amount of Adjustment In Interest Base

1	Penn Water Stock Issued to J. E. Aldred for Management Services for period Nov. 1, 1908 to Oct. 31, 1912 - 5,000 shares at \$60 per share (See Sched. A-8)	\$300,000.00
2	Less: Portion Applicable to Period of Construction Nov. 1, 1908 to Sept. 30, 1911	<u>218,750.00</u>
3	Portion Applicable to Period After Date of Beginning of Commercial Operation - Oct. 1, 1911 to Oct. 31, 1912	\$ 81,250.00
4	Amount Applicable to Period Nov. 1, 1908 to Jan. 12, 1910 which was Duplicated in Interest Base in Error	<u>89,965.75</u>
5	Total Adjustment to Interest Base	\$ 171,215.75

Schedule Showing Calculation of Reduction in Interest During Construction on Adjustment to Base

<u>Month</u>	1910		1911	
	<u>Additions</u>	<u>Monthly Balances</u>	<u>Additions</u>	<u>Monthly Balances</u>
January	\$171,215.75	\$171,215.75	-	\$171,215.75
February	-	171,215.75	-	171,215.75
March	-	171,215.75	-	171,215.75
April	-	171,215.75	-	171,215.75
May	-	171,215.75	-	171,215.75
June	-	171,215.75	-	171,215.75
July	-	171,215.75	-	171,215.75
August	-	171,215.75	-	171,215.75
September	-	171,215.75	-	171,215.75
October	-	171,215.75	-	-
November	-	171,215.75	-	-
December	-	171,215.75	-	-
	<u>\$171,215.75</u>	<u>\$2,054,589.00</u>		<u>\$1,540,941.75</u>

Interest Computed at 6%

1/2% of Total Monthly Balances	\$ 10,272.95	\$ 7,704.71
Less 1/4% of Additions During Period	428.04	-
Total Interest for Each Year	<u>\$ 9,844.91</u>	<u>\$ 7,704.71</u>
Total Interest Accumulated		\$ 17,549.62

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Schedule A-8
 TELEPHONE
 WHITEHALL 4-2400

FREDERIC H. HATCH & Co.,
 INCORPORATED

INVESTMENT SECURITIES

63 WALL STREET

NEW YORK 5, N.Y.

April 1, 1946

The following are all of the Pennsylvania Water & Power Company stock and bond sales shown by the records of Frederic H. Hatch & Company, Inc., prior to July 31, 1931:

Date	Amount	Capital Stock - \$100 Par Value	Sale Price
1/20/11	100		38
3/1/11	100		62 $\frac{1}{2}$
3/3/11	100		63 $\frac{1}{2}$
3/3/11	100		63 3/4
3/31/11	75		59 5/8
4/1/11	100		60 3/8
4/12/11	100		60 3/8
4/24/11	100		61
4/25/11	100		61 $\frac{1}{2}$
5/4/11	114		60 3/4
5/8/11	100		61 1/8
7/26/11	500		56

Date	Amount	First Mortgage Five Per Cent Sinking Fund Gold Bonds Due 1940
1/24/11	20M	84 $\frac{1}{2}$
2/11/11	10M	86
2/20/11	5M	86 $\frac{1}{2}$
2/20/11	5M	86 5/8
2/21/11	10M	87
3/3/11	5M	87 $\frac{1}{2}$
3/3/11	5M	87 3/4
3/3/11	10M	86 7/8
4/12/11	5M	87 $\frac{1}{2}$
4/25/11	20M	86 7/8
4/25/11	10M	87
4/26/11	10M	88 1/4
4/26/11	10M	88 $\frac{1}{2}$
4/26/11	10M	88 3/4
4/26/11	10M	88
4/28/11	10M	88 3/4
4/28/11	20M	89
4/28/11	11M	89 1/4
4/29/11	25M	89 $\frac{1}{2}$
5/3/11	25M	89 1/4
5/4/11	25M	89
5/8/11	1M	89 1/4
5/9/11	1M	89 1/4
5/12/11	25M	89
5/17/11	22M	89
5/17/11	18M	88 7/8
5/18/11	60M	88 7/8
5/22/11	25M	89
6/7/11	10M	89 1/8
7/14/11	11M	88 $\frac{1}{2}$
7/20/11	25M	88
7/26/11	25M	88 $\frac{1}{2}$

over.

I, Fredrich Franklin, Secretary,
of Frederic H. Hatch & Company, Inc., certify that the foregoing sale prices
of Pennsylvania Water & Power Company common stock and bonds are taken from
the records of this firm and were transactions of this firm on the dates
listed.

(Signature)

Fredrich Franklin

Schedule B

PENNSYLVANIA WATER & POWER COMPANY
and Susquehanna Transmission Company, of Maryland, A Wholly-Owned Subsidiary

Statement Showing Operating Income for the Period
Jan. 1 to Sept. 30, 1911

Item No.	Explanation	Amount
<u>OPERATING REVENUES</u>		
1	Consolidated Gas Elec. Lt. & Pr. Co. of Balto. (1/1-9/30)	\$151,744.43
2	United Railways & Elec. Co. of Balto. (7/15-9/30)	67,132.01
3	Total Operating Revenues	<u>\$218,876.44</u>
<u>OPERATING REVENUE DEDUCTIONS</u>		
	<u>Operating Expenses</u>	
4	Holtwood Hydro	\$11,648.75
5	Highlandtown Substation	4,543.54
6	Transmission Lines	3,598.46
	<u>Company Quarters, Camp & Misc. Dwellings</u>	
7	Rentals and Other Income	<u>\$6,221.53</u>
8	Maintenance and Repairs	<u>3,505.01</u>
		<u>(2,716.52)</u> \$ 17,074.23
	<u>Maintenance and Repairs</u>	
9	Machinery and Power House	163.37
10	Miscellaneous - Holtwood	90.30
11	Transmission Lines	252.10
		<u>505.77</u>
	<u>General Expenses</u>	
12	Baltimore Office Expense	1,162.27
13	New York Office Expense	2,288.32
14	Holtwood Office Expense	1,345.49
15	Printing and Stationery	853.84
16	Salaries (Officers, Engineers, etc.)	9,665.59
17	Auditing	466.00
18	Traveling Expenses	1,439.91
19	Directors Fees and Expenses	255.75
20	Insurance (Fire, Auto, Employers Liability, Etc.)	331.13
21	Legal Expenses	3,525.93 (a)
22	Miscellaneous	<u>526.07</u> 21,860.30
	<u>Taxes</u>	
23	Special Federal Excise Tax	147.03
24	Penna. Real Estate Tax	2,257.15
25	Penna. Capital Stock Tax	<u>3,220.51 (b)</u>
26	Maryland Foreign Corporation Tax	18.75
27	Penna. Corporate Loans	14.63
28	Maryland Personal Property Taxes	89.96
29	Total Operating Revenue Deductions	<u>5,748.03</u>
30	Operating Income	<u>\$173,688.11</u>

(a) Includes \$1,700 allowed by Staff in Ex. 51, Entry 4
(b) " \$1,750 " " " " " "

Schedule C

PENNSYLVANIA WATER & POWER COMPANY

Statement Showing Certain Costs Disallowed by F.P.C. Staff
Which Were Incurred in Period Nov. 1, 1907 to Aug. 31, 1909

Item No.	Explanation	Amount
1	Cessation Account (Ex. 51, Sch.12) (Schedule C-1)	\$ 36,445.21
2	Administration and Other Overhead Costs Nov. 1, 1907 to Aug. 31, 1909 (Ex. 51, Sch. 12a)	\$ 77,506.67
	<u>Less:</u>	
3	Hutchinson's salary Nov. 1907 to July 1908	\$10,499.94
4	Portion of Cooper Fee	<u>14,107.21</u>
5	Net Administration and Other Overhead Costs Nov. 1, 1907 to Aug. 31, 1909 (Sch. C-2)	52,899.52
	Hutchinson's salary	
6	Nov. 1907 to July 1908 incl. (Ex. 51, Sch. 12b)	10,499.94
7	After July 31, 1908 (Ex. 51, Sch. 13)	<u>5,000.00</u>
8	Total Hutchinson's salary	15,499.94
	Hugh L. Cooper Fee	
9	Portion of (Ex. 51, Sch. 12b)	14,107.21
10	" " (Ex. 51, Sch. 14)	<u>15,819.06</u>
11	Total Cooper Fee	29,926.27
12	Sanderson & Porter Fee (Ex.51, Sch.14)	<u>9,210.52</u>
13	Total	\$143,981.46

Schedule C-1

PENNSYLVANIA WATER & POWER COMPANY

Statement Showing Summary of McCall Ferry Power Company
Cessation Expense Account (Exhibit 51, Schedule 12)

<u>Item No.</u>	<u>Explanation</u>	<u>Amount</u>
1	Salaries and Wages	\$ 28,277.12
2	Payment of Salaries and Wages in Arrears (Note)	4,624.07
3	Materials, Supplies and Tools	2,175.34
4	Freight	750.89
5	Miscellaneous	<u>617.79</u>
	Total	\$ 36,445.21

Note - Most of these salaries and wages were paid on the basis of 50% of the employee's regular rate of pay.

Schedule C-2

PENNSYLVANIA WATER & POWER COMPANY

Analysis of McCall Ferry Power Company Overheads
 For the Period Nov. 1, 1907 to Sept. 1, 1909 Disallowed by Staff
 (Exhibit 51, Schedule 12a)

<u>Item No.</u>	<u>Explanation</u>	<u>Amount</u>
1	Local Office - Accounting; Salaries, and Expenses	\$ 4,977.37
2	General Office Salaries (Ex. 51, Sch. 12b)	\$ 10,255.94
	Engineering Experts (Ex. 51, Sch. 12b):	
3	Boyd Hale, Resident Engineer	\$ 2,200.00
4	R. H. Anderson, Ass't. Resident Engineer	1,100.00
5	J. W. Young, Ass't. Engineer	5,125.00
6	Harold Pender, Ass't. to Chief Engineer	2,050.00
7	R. Beeuwkes, Electrical Inspector	750.00
8	Total Engineering Experts	\$ 11,225.00
9	Insurance (Estimated by F.P.C. Staff) (Includes Fire, Workmen's Compensation, Fidelity Bond, etc.)	\$ 7,500.00
10	General Office Supplies and Expenses	\$ 13,851.39
11	Engineering Expenses	\$ 2,053.27
12	Traveling Expenses	\$ 126.39
13	Miscellaneous Expenses	\$ 2,910.16
14	Total	\$ 52,899.52

Schedule D

PENNSYLVANIA WATER & POWER COMPANY

Statement Showing Determination of Portion of McCall Co.
Bond Issue Expense Applicable to Penn Water Stock
Exchanged for McCall Co. Bonds

Item No.	Explanation	Amount
1	Value of Services of various banking firms which participated in underwriting McCall Co. Bonds	\$332,617.19
2	Harvey Fisk & Sons (Ex. 26, p. 53)	186,562.50
3	Bertron, Storrs & Griscom (Ex. 26, p. 54)	125,000.00
		\$644,179.69
4	Less: Amortization for period 6/15/05, the date of issue of the bonds, to 7/1/09, the effective date of the Reorganization plan	
	($\frac{48.5}{360}$ x \$644,179.69)	\$ 86,785.32
5	Amount of balance as of 7/1/09 applicable to 66 McCall Co. bonds not exchanged for P.W. securities	
	($\frac{66}{8075}$ x \$557,394.37)	4,555.79
		\$1,341.11
6	Balance of underwriting cost of 8,259 McCall Co. bonds as of 7/1/09	\$552,838.58
7	Portions applicable to Penn Water securities issued in exchange for 8,259 McCall Co. Bonds	
	40% Penn Water Bonds	\$221,135.43
8	60% " " Stock	\$331,703.15

Schedule E

PENNSYLVANIA WATER & POWER COMPANY

Statement Showing Determination of Profit on Certain Properties Sold to Safe Harbor Corporation

Item No.	Explanation	Amount
1	I - Willson Properties	
	Sale price (fair market value) of properties to Safe Harbor Corporation in June 1930	\$35,575.00
2	Less: Cost to McCall as determined by Original Cost Study	5,537.00
3	Net Profit to Penn Water	\$ 30,038.00
4	II - Witmer Properties	
	Sale price (fair market value) of properties to Safe Harbor Corporation in June 1930	\$96,230.00
5	Less: Cost to McCall Co. as determined by Original Cost Study	\$40,000.00
6	Less: Est. value of flowage release retained on Mt. Atlas Tract as of Oct. 1, 1911	\$1,000.00
	Est. value of 15 flowage releases in Washingtonboro not used or useful	15.00
7	Net Profit to Penn Water	\$ 38,985.00
8		\$ 57,245.00
9	III - Part of Harlow-McGaw Properties (Consisting of portion of canal between Safe Harbor dam and Wrightsville, and certain islands)	
10	Sale price (fair market value of properties to Safe Harbor Corporation in June 1930)	\$61,740.00
11	Less: Fair value as of Oct. 1, 1911 based upon discounting at 6% the sale price to Safe Harbor, in June 1930 back to Oct. 1, 1911	29,082.80
12	Net Profit to Penn Water	\$ 32,657.20
	TOTAL	\$ 119,940.20

Note - The above sale prices were approved by representatives of the F.P.C. prior to the sale to Safe Harbor Corporation in 1930 and the full sale price was recorded on the books of P.W.&P.Co. as a credit to Property and Riparian Rights Account. The effect of recording the full sale price as a credit is to understate the Account by the amount of the profit on these sales of \$119,940.20 shown above.

Schedule F

PENNSYLVANIA WATER & POWER COMPANY

Statement Showing Disallowed Items of Flowage Basin Account

Item No.	Explanation	Staff	Net Staff	Additional Co. Claims	Disallowances At Issue In Proceedings	Disallowances Agreed To By Company	Disallowances Protested By Company
		Disallowances Per Adjusting Entries (Ex. 51, Sch. 8)	Disallowances Conceded By Company In Exhibit 25	Disallowances From Books Per adjusting Entries (a-b)	Included In Ex. 25 But Not Allowed By Staff	Disallowances (c+d)	Disallowances (e)
I - Flowage Basin Acct. 1910 to 1924, Incl. (Ex. 51, Sch. 20)							
1	Motion Pictures and Panorama - Acct. "C"	\$ 4,098.56	2,219.14	1,879.42		1,879.42	1,879.42
2	River Observations-Acct. "E" (col. 5)	4,988.45	-	4,988.45		4,988.45	4,988.45
3	Office Engineering (cols. 7-8-9)	45,515.19	189.48	45,325.71		45,325.71	45,325.71
4	Misc. Office Expense accts. 6N-0-T (col. 10)	561.65	-	561.65		561.65	561.65
5	Interest (col. 12)	3,959.15	-	3,959.15		3,959.15	3,959.15
Purchasing Property Water Power Rights, Roads, etc. 1912-1924 Acct. "F" (Ex. 51, Sch. 20a)							
Lancaster Office Expenses							
6	Salary of Bushong (col. 10)	50,423.24	-	50,423.24		50,423.24	50,423.24
7	Other Expenses (col. 11)	27,127.82	-	27,127.82		27,127.82	27,127.82
8	Legal Fees (Ex. 51, Sch. 20b)	36,920.00	-	36,920.00		36,920.00	21,920.00
9	Miscellaneous (Ex. 51, Sch. 20c)	9,083.75 (a)	7,083.75	2,000.00		2,000.00	-
10	Total Flowage Basin Acct. 1910-1924	\$ 182,677.81	9,492.37	173,185.44		173,185.44	22,838.57
II - Flowage Basin Acct. 1925 to 1936, Incl. (Ex. 51, Sch. 21)							
11	Lancaster Office Expense-Job M-387 (Ex. 51, Sch. 21b) (Schedule F-1)	\$ 26,959.06	-	36,959.06		36,959.06	16,171.65
12	Flowage Basin - Job M-388 (1930) (\$11,097.67 less \$296.51) (C)	10,801.16	-	10,801.16		10,801.16	10,801.16
13	Extension of Triangulation System-Job C-791 (1932)	3,338.25	-	3,338.25		3,338.25	-
14	Property Ties to Triangulation System - Job C-970 (1935)	3,157.71	-	3,157.71		3,157.71	3,157.71
15	Survey of Railroad Property North of Holtwood - Job C-283-11 (1925-1926)	1,764.59	-	1,764.59		1,764.59	1,764.59
16	Phila. Trans. Line Link (never built) Job C-325 (1925-1926)	8,396.10	8,396.10	-		-	-
17	Susquehanna River Aerial Survey-Job C-370-3 (1925)	1,631.31	1,631.31	-		-	-
18	Phila.-Safe Harbor Trans. Line (never built) Job C-326 (1926)	153.30	153.30	-		-	-
19	McCall Ferry Topographical Survey-Job C-613 (1928)	3,658.24	-	3,658.24		3,658.24	3,658.24
20	Total Flowage Basin Acct. 1925-1936	\$ 69,859.72	10,180.71	59,679.01		59,679.01	32,395.64

(A) See Schedule F-1 attached

(B) " F-2 "

(C) The amount of \$296.51 representing "Traveling Expenses of J.W. Walls re Conowingo Contract" is included with the other items relating to "Conowingo Backwater Agreement".

Schedule F-1

PENNSYLVANIA WATER & POWER COMPANYStatement Showing Miscellaneous Expenses in Flowage Basin
Account Considered Under Other Subjects.

Item No.	<u>Explanation</u>	<u>Amount</u>
1	Total as Shown in Exhibit 51, Schedule 20c	\$ 14,075.18
Less Items Considered Under Other Subjects:		
2	Conowingo Backwater Agreement Legal services of Simpson, Thacher & Bartlett	\$ 200.00
3	River Coal Investigation Expense Carney & Lindemuth "Report on Susquehanna River Coal" \$ 2,500.00	
4	Increase of coal storage area of Anthracite Production Corp.	2,291.43 4,791.43 4,991.43
5	Amount Shown as Flowage Basin Acct. 1910-1924	\$ 9,083.75

Schedule F-2

PENNSYLVANIA WATER & POWER COMPANYStatement Showing Disallowed Items of Flowage Basin
Account That Are Protested by Company

<u>Item No.</u>	<u>Explanation</u>	<u>Amount</u>
	I - Flowage Basin Acct. 1910 to 1924, Incl. (Ex. 51, Sch. 20)	
1	River Observations - Account "E" (col. 5) Office-Engineering (Ex. 51, Sch. 20, cols. 7, 8 & 9)	\$ 4,988.45
	Salaries and Expenses-Acct. 6 (col. 7)	\$ 2,436.38
	Expenses-Acct. 6E (col. 8)	7,129.87
	Salaries-Acct. 6L (col. 9)	35,948.94
	Total	\$45,515.19
	Less: Misc. items conceded by Co. in Ex. 25	189.48
2	Total Office Engineering	45,325.71
3	Miscellaneous Office Expenses- Accts. "6-N"- "D"- "T" (col. 10)	\$ 561.65
	Purchasing Property & Water Power Rights, Roads, etc. 1912-1924 - Acct. "F" (Ex. 51, Sch. 20a)	
	Lancaster Office Expenses	
4	Salary of M. E. Bushong (col. 10)	50,423.24
5	Other Expenses (col. 11)	27,127.82
	Legal Fees (Ex. 51, Sch. 20b)	\$36,920.00
	Less: Fees paid John M. Groff	15,000.00
6	Total Legal Fees	21,920.00
7	Total Flowage Basin Acct. 1910 to 1924	\$150,346.87
	II - Flowage Basin Acct. 1925 to 1936, Incl. (Ex. 51, Sch. 21)	
	Lancaster Off. Exp. Job M-387 (Ex. 51, Sch. 21b)	\$36,959.06
	Less Disallowances Agreed to by Company	
	Lancaster Office Expense	
	Year 1926 - 75%	\$ 3,865.88
	" 1927 - 75%	4,191.51
	" 1928 - 66-2/3%	3,799.35
	" 1929 - 66-2/3%	3,904.91
	Total	\$15,761.65
	Services of Sundry Persons	
	Year 1926	\$ 70.00
	" 1927	230.00
	" 1928	50.00
	" 1929	60.00
	Total	\$ 410.00
	Total Disallowance Agreed To	\$16,171.65
8	Total Lancaster Office Expense	\$20,787.41
	Extension of Triangulation System -	
9	Job C-791(1932) (Ex. 51, Sch. 21)	3,338.25
10	Property Ties to Triangulation System	
	Job C 970(1935) (Ex. 51, Sch. 21)	3,157.71
11	Total Flowage Basin Acct. 1925 to 1936	\$27,289.37

Schedule F-3

PENNSYLVANIA WATER & POWER COMPANY

Statement Showing Disallowed Items Agreed To and
 Amount Protested by Company of Survey of Storage
Reservoir Sites (Exhibit 51, Schedule 19)

Item No.	<u>Explanation</u>	<u>Amount</u>
	<u>(a) Disallowances Conceded by Company in Exhibit 25</u>	
	Water Conservation Association Expense	
1	Year 1912	\$ 2,881.82
2	" 1913	8,163.36
3	Total	<u>\$11,045.18</u>
	<u>(b) Disallowances Agreed To by Company Since</u>	
	<u>Preparation of Exhibit 25</u>	
4	Olmstead and Stamm - Legal Opinions on	\$ 850.00
5	Rights of Water Power Companies - 1911	
6	Interest During Construction Applicable	
7	to Item 2 above	204.08
8	W. E. Bennett, 1909 Investigation of	
	Reservoir Sites, which was paid in 1910	
	Total	<u>2,400.00</u>
	Total Disallowed Items Agreed To	<u>\$ 3,454.08</u>
	(Item 3 plus Item 7)	
		<u>\$14,499.26</u>
	<u>(c) Amount Protested by Company</u>	
9	Cost of establishing and rating of new gauges,	
	rating of existing gauges and determination	
	of time relation data between gauges along	
	the Susquehanna River Above the Holtwood Pond	<u>\$12,420.77</u>
10	Grand Total	<u>\$26,920.03</u>

Schedule G

PENNSYLVANIA WATER & POWER COMPANY

Statement Showing Legal and Investigation Expenses
Incurred as a Result of Ejectment Proceedings Brought
Against the Company With Respect to the Boyd Mill
Property Boundary Dispute (Job C-973, 1932)

<u>Item No.</u>	<u>Explanation</u>	<u>Amount</u>
1	Salary and expenses of witnesses for investigating old titles, preparing drawings and testifying as to proper boundary line	\$ 623.78
2	Fee for consulting engineer's services for testifying as to proper boundary line	125.00
3	Legal fee	400.00
4	Court costs	<u>278.64</u>
5	Total	\$ 1,427.42

Note: The above expenses were incurred in defending the Company's title to its land adjoining the Boyd Mill property and were erroneously charged to Operating Expenses. The Company lost the suit and subsequently purchased the Boyd Mill property.

Schedule H

PENNSYLVANIA WATER & POWER COMPANYLoss of Materials and Supplies During the Original Construction Period to September 30, 1911

Item No.	Explanation	Amount
<u>Loss of Materials and Supplies</u>		
1	McCall Ferry Power Co: Balance as of July 17, 1909 (Exhibit 51, Appendix 2, page 72)	\$ 35,019.16
2	Less: McCall Ferry Power Co. Materials and Supplies inventoried by J.E. Aldred Receiver	<u>22,547.03</u>
3	Loss as Recorded by Receiver	\$ 12,472.13
Receiver's Materials and Supplies inventoried by P.W.&P.Co. from the following entries as shown in Exhibit 51, Sch. 11, Sheet 1:		
4	Mar.'10 J7 Sundry Stores as at Dec. 31, 1909	8,419.91
5	'10 Various old cement used in construction during 1910, not previously inventoried	8,308.90
6	Mar.'10 J7 Cement on hand at Dec. 31, 1909	<u>6,535.01</u>
7	Total Receiver's Materials and Supplies inventoried by P.W.&P.Co.	23,263.82
8	Less: J.E. Aldred Receiver Balance as of Dec. 31, 1909 (Ex. 51, Sch. 11)	<u>14,854.39</u>
9	Total Gain in Materials and Supplies at Dec. 31, 1909 as recorded by P.W.&P.Co.	<u>8,409.43</u>
10	Net Loss in Materials and Supplies as of Dec. 31, 1909 (Item 3 Minus Item 9)	4,062.70
11	Loss Due to Receiver's "Write-down" of Cost of Cement	<u>8,970.34</u>
12	Total Loss	\$ 13,033.04

Schedule I

PENNSYLVANIA WATER & POWER COMPANYAnalysis of General Expenses Incurred In Connection With The Use
of Susquehanna Contracting Co. as a Separate Corporation

<u>Item No.</u>	<u>Explanation</u>	<u>Amount</u>
1	Fees to Simpson, Thacher & Bartlett	\$2,875.38
2	New York City and State Taxes	93.02
3	Referee's Services - H. Odell	250.00
4	Salaries of Officers	3,095.00
5	Printing and Stationery	308.45
6	Total	\$6,621.85

Schedule J

PENNSYLVANIA WATER & POWER COMPANY

Statement Showing Analysis of Portion of Holtwood
 Power Co. Organization Expense Disallowed By Staff
 and Agreed To By Company (Ex. 51, Sch. 24)

Item No.	Explanation	Total	Disallowance	Disallowance
		(b+c)	Agreed To	Protested
Lancaster Office Expense				
1	M. E. Bushong Salary June 1924 to Aug. 15, 1925	\$ 9,124.96	-	9,124.96
2	Aug. 16, 1925 to Dec. 31, 1925	3,000.05	3,000.05	-
3	Totals	\$12,125.01	3,000.05	9,124.96
 Office Salaries, Expenses & Traveling				
4	June 1924 to Aug. 15, 1925	\$ 5,760.53	-	5,760.53
5	Aug. 16, 1925 to Dec. 31, 1925	2,267.36	2,267.36	-
6	Totals	\$ 8,027.89	2,267.36	5,760.53
7	 Salaries & Traveling- Feb. 1925	 \$ 489.85	 -	 489.85
8	Total Lanc. Off. Exp.	\$20,642.75	5,267.41	15,375.34
9	J. M. Groff, Legal Services	\$ 2,000.00	2,000.00	-
10	S. R. Zimmerman Legal Services	2,500.00	-	2,500.00
11	Simpson, Thacher & Bartlett Legal Services	3,070.59	3,070.59	-
12	 Grand Totals	 \$28,213.34	 10,338.00	 17,875.34

4048

Exhibit No. 320

[24054]

Schedule K

PENNSYLVANIA WATER & POWER COMPANY
and Susquehanna Transmission Company of Maryland, A Wholly Owned Subsidiary

Summary of Physical Items of Property
Originally Accounted For Incorrectly

Item No.	Explanation	Amount
1	Betterments arising through minor items (Schedule K-1)	\$ 26,153.33
2	Additions (Schedule K-2)	41,541.47
3	Replacements, including betterments in new units (Schedule K-3)	<u>28,422.04</u>
4	Total	\$ 96,116.84

PENNSYLVANIA WATER & POWER COMPANY

And Susquehanna Transmission Company of Maryland, A Wholly Owned Subsidiary

Summary of Betterments, Arising Through Minor Items
Charged in Error to Operating Expenses
or to Reserve for Depreciation

[24055]

Exhibit No. 320

4049

Item No.	Year of Expenditure	Job Order	Title of Job Order and Description of Item	Charged in Error to Reserve for Depreciation		Operating Expenses (b)	Total (a+b, (c)
				(a)	(c)		
1	1923	C-193	<u>Replacement of the Property Signs</u> Excess cost of enameled signs over the estimated cost at current prices of varnished and baked signs being replaced.	\$ 336.24		\$ -	\$ 336.24
2	1924	K-300	<u>Cooling Coils for Nos. 2,3,4,&8 Transf. - Hn.</u> Excess cost of copper cooling coils over estimated cost at current prices of brass coils being replaced.	5,331.95		5,331.95	
3	1925	K-241-1	<u>Repairs to #6 Transformer Cooling Coils - Hn.</u> Excess cost of copper cooling coils over estimated cost at current prices of brass coils being replaced.	952.80		952.80	
4	1925	K-300-1	<u>Cooling Coils for #7 Transformer - Highlandtown</u> Excess cost of copper cooling coils over estimated cost at current prices of brass coils being replaced.	467.03		467.03	

Schedule K-1
Page 1 of 5

[24057]

Exhibit No. 320

4051

Item No.	Year of Expenditure	Job Order	Title of Job Order and Description of Item	Charged in Error to			Total (a+b) (c)
				Reserve for Depreciation (a)	Operating Expenses (b)		
9	1929	K-797	New Rail for Sidings at Holtwood				
			Excess cost of 85# rail over the estimated cost at current prices of 60# rail being replaced.	\$ 2,140.40	\$		\$ 2,140.40
10	1929	K-845	Modify #8 Transformer L.T. Oil Circuit Breaker				
			Excess cost of 1,200 amp. O.C.B. parts over the estimated cost at current prices of 800 amp. parts being replaced.	744.81			744.81
11	1929	M-1010	Improvements to #5 Turbine				
			Excess cost of lower pedestal bearing (of improved design and material) for operating shaft over the estimated cost at current prices of the old type bearing being replaced.			1,121.00	
			Excess cost of rubber guide bearing and split ascoloy sleeve over the estimated cost at current prices of the old lignum vitae bearing and solid sleeve being replaced.		2,405.65		3,526.65
12	1929- 1930	M-1004	Resplicing Cables - Baltimore Line				
			Excess cost of aluminum compression joints over the estimated cost at current prices of the twisted joints being replaced.			709.20	
			Additional cost of 394 repair sleeves applied over the twisted splices to improve joints.		275.80		985.00

Schedule K-1
Page 3 of 5

Item No.	Year of Expenditure	Job Order	Title of Job Order and Description of Item	Charged in Error to			Total (a+b) (c)
				Reserve for Depreciation (a)	Operating Expenses (b)		
5	1928	H-596	Repairs to #6 Transformer - Holtwood				
			Excess cost of copper cooling coils over estimated cost at current prices of brass coils being replaced.	\$ 1,364.00			
			Excess cost of 15,000 Kva. coils over the estimated cost at current prices of 10,000 Kva. coils being replaced. (See also claim under "Additions".)	2,576.11			\$ 3,940.11
6	1929	K-644	Generator Room Crane - New Controller & Cab				
			Excess cost of improved cab over the estimated cost at current prices of old cab being replaced.	318.00			
			Excess cost of new magnetic controller over the current cost of old controller being replaced.	582.00			900.00
7	1929	K-772	Install Copper Bus #1 Sect. H.T. Bus Room				
			Excess cost of 3/4" I.P.S. copper (plus cost of tees and couplings) over the estimated cost at current prices of the 1/2" copper tubing being replaced.	202.22			202.22
8	1929	K-786	Install Copper Bus #2 Sect. H.T. Bus Room				
			Excess cost of 3/4" I.P.S. copper (plus cost of couplings) over the estimated cost at current prices of 3/4" copper tubing and 1/2" I.P.S. copper being replaced	133.35			133.35

[240591]

Exhibit No. 320

Charged in Error to

Reserve

for
Depreciation
(a)Operating
Expenses
(b)Total
(a+b)
(c)

Item No.	Year of Expenditure	Job Order	Title of Job Order and Description of Item	Reserve for Depreciation (a)	Operating Expenses (b)	Total (a+b) (c)
17	1930	M-1032	<u>Coal Preparation Plant - Extension - Improvements</u> Excess cost of a #29 improved exhaust fan with greater capacity over the actual current cost of a #25 fan being replaced.		\$ 267.71	\$ 267.71
18	1930	*R-3037	<u>Holtwood Hydro Turbine & Governor Maintenance</u> Excess cost of rubber guide bearing and split ascoloy sleeve for #11 exciter turbine over the estimated cost at current prices of the lignum vitae bearing and solid sleeve being replaced.		730.00	730.00
19	1931	M-1041	<u>New Rubber Guide Bearing & Sleeve #7 Unit</u> Excess cost of rubber lined guide bearing and split ascoloy sleeve over the estimated cost at current prices of the lignum vitae bearing and solid sleeve being replaced.		2,803.00	2,803.00
Totals				\$14,813.34	\$11,339.99	\$26,153.33

*Refers to maintenance account number.

Item No.	Year of Expenditure	Job Order	Title of Job Order and Description of Item	Charged in Error to Reserve			Total (a+b) (c)
				for Depreciation (a)	Operating Expenses (b)		
13	1929- 1930	M-1009	<u>#13 Exciter Rubber Bearing & Flexible Coupling</u> Excess cost of rubber lined guide bearing and split ascoloy sleeve over the estimated cost at current prices of the old lignum vitae bearing and solid sleeve being replaced.		\$ 755.94	\$ 755.94	
14	1930	M-1022	<u>#3 Turbine - New Lower Pedestal Brg. & Vane Adj.</u> Excess cost of lower pedestal bearing (of improved design and material) for operating shaft over the estimated cost at current prices of the old type bearing being replaced.			1,119.00	1,119.00
15	1930	M-1020	<u>Equipment Changes - Nos. 62 & 63 Cables</u> Excess cost of 1" I.P.S. copper over the estimated cost at current prices of the 1" thin wall tubing being replaced.		40.69		
			 Excess cost of 600 A. parts for disconnecting switch over estimated cost at current prices of 300 A. parts being replaced (plus cost locks purchased for 600 A. switch).			220.11	260.80
16	1930	M-1028	<u>Modify Governor Restoring Mechanism - #5 Unit</u> Excess cost of governor restoring mechanism (of improved design and material) over the estimated cost at current prices of the old mechanism being replaced.			556.32	556.32

[24061]

Exhibit No. 320

4055

Item No.	Year of Expenditure	Job Order	Title of Job Order and Description of Item	Charged in Error to		Total (a+b) (c)
				Reserve for Depreciation (a)	Operating Expenses (b)	
5	1927	K-583	<u>Turbine #3 - Vanes and Fulcrum Pins</u>			\$ 4,775.65
			Bore vanes and install bronze bushings for fulcrum pins. Also install bronze sleeves on fulcrum pins to suit. (40 Fulcrum pins per unit) Counterbore lower end of vanes and lower distributor rings. Fabricate and install ascoloy steel thrust discs. (80 thrust discs per unit).			\$ 4,775.65
6	1927	K-269-2	<u>"A" Low Tension Bus Reactors - Highlandtown</u>			
			Extension of cables and associated equipment incidental to moving reactors to permit the installation of an O.C.B. in the reactor circuit in addition to the disconnect switches (which could not be opened under load).	2,015.98		2,015.98
7	1928	H-596	<u>Repairs to #6 Transformer - Holtwood</u>			
			Addition of temperature indicating equipment and insulating oil incidental to rewinding this transformer from 10,000 Kva. to 15,000 Kva. (See also claim under "betterments").	1,452.32		1,452.32
8	1928	C-610	<u>Frazil Ice Experiments - Electrically Heated Screens</u>			
			Fabrication of an experimental electrically heated trash screen leading to the permanent installation on Exciter Unit #13 (G-2091-1939).	1,831.61		1,831.61

PENNSYLVANIA WATER & POWER COMPANY
And Susquehanna Transmission Company of Maryland, A Wholly Owned Subsidiary

Summary of Additions
Charged in Error to Operating Expenses
or to Reserve for Depreciation

Item No.	Year of Expenditure	Job Order	Title of Job Order and Description of Item	Charged in Error to Reserve			Total (a+b) (c)
				for Depreciation (a)	Operating Expenses (b)		
1	1922	R-3032	Maintenance of Turbine & Governor Mechanism (#5 Unit) Bore vanes and install bronze bushings for fulcrum pins. Also install bronze sleeves on fulcrum pins to suit. (40 fulcrum pins per unit) See also J.O. M-1037 below.			\$ 2,887.03	\$ 2,887.03
2	1923	C-158	Replacement of Floating Flashboard Equipment Outright addition of scow. Above scow scrapped in 1942.	545.64 <u>(545.64)</u>			0
3	1926	C-359	New Lead Covered Cable for Exciters Engineering study for exciter cables (See K-646 below).	304.71			304.71
4	1927	K-550	Flashboard Improvements - East End of Dam Addition of flashboard sockets in 300' of crest of dam to change from 5'0" centers to 2'6" centers (to make 2'6" centers across full length of dam).		1,235.43		1,235.43

[24063]

Exhibit No. 320

4057

Item No.	Year of Expenditure	Job Order	Title of Job Order and Description of Item	Charged in Error to			Total (a+b) (c)
				Reserve for Depreciation (a)	Operating Expenses (b)		
14	1929	K-646	<u>Exciter Cables Replacement</u>				
			Addition of one 1,500 M.C.M. lead covered cable per leg, for excitors #11 and #13, together with the necessary conduit and pull boxes. This addition resulted from engineering studies made under C-359 and C-625 above. \$ 2,553.96				\$ 2,553.96
15	1929	*71.59	<u>Piping, Regulators, Etc.</u>				
			Cost of modernizing 2 type C-16 Bailey flow meters by conversion to type C-6 (to use circular chart instead of strip chart, etc.)			240.00	240.00
16	1929- 1930	M-1012	<u>No. 11 Exciter - Improvements to Vanes and Pins</u>				
			Bore vanes and install bushings for fulcrum pins. Also install bronze sleeves on fulcrum pins. (14 fulcrum pins per unit).			576.55	576.55
17	1929- 1930	M-1013	<u>Improvements to No. 6 Turbine Vanes & Fulcrum Pins</u>				
			Bore vanes and install bronze bushings for fulcrum pins. Also install bronze sleeves on fulcrum pins to suit. (40 pins per unit). Counterbore lower end of vanes and lower distributor rings. Fabricate and install rustless iron thrust discs. (80 discs per unit)			4,202.78	4,202.78
18	1930	K-792	<u>Lightning Arresters - Nos. 1, 2, 5 & 6 Circuits (Holtwood)</u>				
			Addition of screen enclosure incidental to moving arresters from indoor to outdoor location.		205.00	205.00	Schedule K-2 Page 4 of 6

Item No.	Year of Expenditure	Job Order	Title of Job Order and Description of Item	Charged in Error to		Total (a+b) (c)
				Reserve for Depreciation (a)	Operating Expenses (b)	
9	1928	M-633	<u>No. 13 Exciter Vanes</u> Bore vanes and install bronze bushings for fulcrum pins. Also install bronze sleeves on fulcrum pins to suit. (14 fulcrum pins per unit).		\$ 816.88	\$ 816.88
10	1928	C-759	<u>Turbine No. 1 - Chipping Back Outflow Edge</u> Cost of chipping back outflow edges of turbine runner to increase turbine efficiency.		725.50	725.50
11	1928	M-1003	<u>Relocation of Test Laboratory in B.E.A. Bldg.</u> Additions to power, telephone and testing facilities incidental to the relocation of test laboratory at Highlandtown.		1,019.80	1,019.80
12	1928	M-620	<u>Turbine Vanes & Fulcrum Pins #1 Turbine - Repairs</u> Bore vanes and install bronze bushings for fulcrum pins. Also install bronze sleeves on fulcrum pins to suit. (40 pins per unit) Counterbore lower end of vanes and lower distributor rings. Fabricate and install rustless iron thrust discs. (80 discs per unit).		3,458.30	3,458.30
13	1928	C-625	<u>Exciter Cables and Switchboard Engineering Study</u> Engineering study for exciter cables (continuation of C-359 above). (Also engineering study for J.O. K-753 - "Exciter Board Ventilation" allowed by staff in Entry 23, Schedule 8, Exhibit 51)	601.83	601.83	

Schedule K-2
Page 5 of 6

Item No.	Year of Expenditure	Job Order	Title of Job Order and Description of Item	Charged in Error to Reserve		Total (a+b) (c)
				for Depreciation (a)	Operating Expenses (b)	
19	1930	K-865	Stoplogs for Ice Chute - Shore End			
			Addition of stoplogs in emergency headgate slot. (Those installed originally were retired in 1938 when timber stoplogs in headgate slot were replaced with steel). \$ 807.97	\$ 807.97		\$ 807.97
20	1930	K-913	Modification of Pull Boxes Nos. 20 & 21			
			Additions to pull boxes Nos. 20 & 21 (The amount shown here represents charges against this J.O. incurred in 1930 and incorrectly charged to the Depreciation Reserve. Subsequent costs under this J.O. were correctly charged to Electric Plant.) 409.61		409.61	409.61
21	1930	M-893	Alterations to Rooms 1603 & 1605 Lexington Building			
			Addition of Celotex ceiling, walnut paneling, linoleum, etc. - Room 1603-05. 3,979.90			3,979.90
22	1930	M-1037	Install Vanes & Counterbore Distributor Rings - #5 Unit			
			Counterbore lower distributor rings and vanes and install thrust discs. (80 thrust discs per unit). 760.20			760.20
23	1931	M-2039 M-1042	Improvements for #7 Unit Turbine			
			Counterbore lower distributor rings and fabricate and install thrust discs. (80 thrust discs per unit) 1,065.99			1,065.99
24	1932	K-967	No. 4 Turbine - Install Spare Set of Vanes			
			Counterbore lower distributor rings and fabricate and install thrust discs. (80 thrust discs per unit) 1,290.45			1,290.45

Item No.	Year of Expenditure	Job Order	Title of Job Order and Description of Item	Charged in Error to Reserve		Total (a+b) (c)
				for Depreciation (a)	Operating Expenses (b)	
25	1935	K-1142 M-1412	Improvements for #2 Unit Turbine			
			Counterbore lower distributor rings and fabricate and install thrust discs. (80 thrust discs per unit) \$ 1,028.94	\$ 304.84		\$ 1,333.78
26	1912 1913 1914	None	Construction Plant Buildings			
			Balance of Construction Plant Buildings Account		2,990.24	2,990.24
			Totals	\$10,670.77	\$30,870.70	\$41,541.47

* Refers to maintenance account number

PENNSYLVANIA WATER & POWER COMPANY
 And Susquehanna Transmission Company of Maryland, A Wholly Owned Subsidiary
 Summary of Replacements, including Betterments in New Unit
 Charged in Error to Operating Expenses
 or to Reserve for Depreciation

Item No.	Account as Reclassified	Reference to F.P.C. List of Units of Property	Description	Year Replaced	Charge to Depr. Reserve for Original Cost of Property Replaced		Original Charges in Error to Operating Expenses or to Reserve for Depreciation, Claimed as Electric Plant in Reclassification Study				Net Increase in Electric Plant Account Resulting from Correcting Entries Made During Reclassification		
					Account	Amount	Job Order	Reserve for Depreciation (b)	Operating Expenses (c)	Total (b+c)	From Reserve for Depreciation (b)	From Operating Expenses (c)	Total (b+c)
1	343	343	32 <u>Improvements to Low Tension Bus at Highlandtown Substa.</u> 18 Bus Sectionalizing Switches installed in 1910 were replaced with switches of greater capacity, heavy duty type equipped with locking and compressing devices.	1923	342	\$ 116.00	C-186	\$ 1,374.00	\$ -	\$ 1,374.00	\$ 1,258.00	\$ -	\$ 1,258.00
2	321	322	22 <u>Paving Tail Bays Nos. 5 and 6</u> The floors of these bays were paved in 1916 by the Tremie Method, but this paving was unsatisfactory and was replaced in 1927, #5 bay being unsurfaced and paved and #6 bay being paved by the bag method.	1927-28	336-C-40	15,656.13	(K-542 (M-304	37,212.86 35,467.44	72,680.32	(15,656.13)	72,680.32	72,680.32	57,024.19
3	321	322	12 <u>Roofs - 12 Village Houses</u> New roofing placed over old roofs.	1926	Perm. Hldgs.	2,259.15	K-503	4,102.43	-	4,102.43	1,843.28	-	1,843.28
4	325	325	12 <u>Hill Pump & Motor - Water Service</u> Old reciprocating pump (with 20 Hp. motor) replaced with centrifugal pump (with 25 Hp. motor).	1927	335-48	2,124.96	C-508	-	955.45	955.45	(2,124.96)	955.45	(1,169.51)
5	377	315	24 <u>10 Test Sets</u> 10 Telephone Test sets, purchased in 1910, worn out and replaced.	1927	340	107.40	K-571	-	414.75	414.75	(107.40)	414.75	307.35
6	322	323	12-2 <u>Bristol Water Level Recorder</u> Replacing Recorder Purchased in 1916.	1928	330-944	67.70	**B-3032	-	71.53	71.53	(67.70)	71.53	3.83
7	372	372	8 <u>Photostat Machine</u> A Rectograph, purchased in 1916 was obsolete and turned out unsatisfactory work. Replaced by a new Photostat Machine.	1928	Furniture	490.00	K-509	-	1,316.91	1,316.91	(490.00)	1,316.91	826.91
8	373	373	36 <u>Current Transformers at Highlandtown</u> Cable compartment breakdowns were traced to the failure of old type C.T.'s. These were replaced with a new type having a greater electrical safety factor. Some cable was also replaced with new cable of greater capacity.	1928	342	4,437.60	K-384	6,880.20	467.37	7,347.97	2,442.60	467.37	2,909.97

Scraped

Item No.	Account as Reclassified	Reference to F.P.C. List of Units of Property	Description	Year Replaced	Charge to Depr. Reserve for Original Cost of Property Replaced		Original Charges in Error to Operating Expenses or to Reserve for Depreciation, Claimed as Electric Plant in Reclassification Study			Net Increase in Electric Plant Account Resulting from Correcting Entries Made During Reclassification		
					Account	Amount	Job Order	Reserve for Depreciation	Operating Expenses	Total (b) (c)	From Reserve for Depreciation (b-a)	From Operating Expenses (c-b)
Account	Item				(a)			(b)	(c)	(d)	(e)	(f)
9	343	323	D-2 Under-Voltage Relays for Graphic Voltmeters									
			2 Type "C" Relays (modified for under-voltage), replaced by modern type "U.V." under-voltage relays.	1928	342	\$ 67.53 **R-4131	\$ -	\$ 115.92	\$ 115.92	\$ (67.53)	\$ 115.92	\$ 48.39
10	342	342	2 Furnace at Long Green									
			Pipeless hot air furnace in Patrol Chief's Residence at Long Green replaced by a Steam Heating System.	1928	340	96.24 K-677		608.94	608.94	(96.24)	608.94	512.70
11	325	325	1 Hydro Station Compressor									
			Old No. 3 Compressor of 136 cu. ft. at 100# capacity. Worn out. Replaced by New Compressor of 303 cu. ft. at 100# capacity.	1928-29	(335 4B)	3,481.04 K-678	9,872.64		9,872.64	6,391.60		6,391.60
					(336 B)							
12	322	322	4 Concrete Bulkhead for East Shore Spillway									
			Three spillway openings at shore end of power house were originally fitted with stoplogs for possible use as ice chutes. They were never so used and stoplogs were replaced with permanent concrete bulkheads.	1929	330	1,682.79 K-801	4,802.62		4,802.62	3,119.83		3,119.83
13	326	326	4 Railroad Track into Hydro Station									
			Old track entered hydro through tunnel under East shore bulkhead. Replaced by permanent track and entrance providing greater vertical clearance.	1929	330-6C	1,585.09 K-784	25,454.77		25,454.77	23,869.68		23,869.68
14	321	321	6 Drinking Water Cooler									
			The old ammonia system (installed in 1914) became obsolete and was replaced by a modern self-contained unit.	1929	335-4B	1,437.72 K-820	558.71		558.71	(879.01)		(879.01)
15	324	323	D-2 Frequency Meter									
			Frahn "reed" type frequency indicating meter replaced with G.E. pointer type.	1929	335-3B	69.50 **R-3031		130.00	130.00	(69.50)	130.00	60.50
16	377	377	Planer Motor Driven Planer for Carpenter Shop									
			Planer (Purchased in 1912) Worn Out & Replaced	1929	Tools	282.30 K-808	137.08		137.08	454.78		454.78

Item No.	Account as Reclassified	Reference to F.P.C. List of Units of Property		Description	Year Replaced	Charge to Depr. Reserve for Original Cost of Property Replaced	Original Charges in Error to Operating Expenses or to Reserve for Depreciation, Claimed as Electric Plant in Reclassification Study			Net Increase in Electric Plant Account Resulting from Correcting Entries Made During Reclassification				
		Account	Item				Account	Amount (a)	Job Order	Reserve for Depreciation (b)	Operating Expenses (c)	Total (d) (b+c)		
17	346	346	1	3/8" Ground Wire - Twr. #361 to Hn. - T/L #12 Approx. 5 miles of steel ground wire (single run) replaced with 3/8" "Copperweld" wire.	1929	340	\$ 684.40	K-841	\$ 2,128.01	\$ -	\$ 2,128.01	\$ 1,443.61	\$ -	\$ 1,443.61
18	346	346	1	3/8" Ground Wire - Twr. #360 to Hn. - T/L #56 Approx. 5 miles of Steel ground wire (double run) replaced with 3/8" "Copperweld" wire.	1930	340	1,106.61	K-908	3,992.89	\$ -	3,992.89	2,886.28	\$ -	2,886.28
19	324	323	D-2	Graphic Voltmeter (25 cycle) Graphic Voltmeter Installed 1910 - Replaced by fast moving type.	1930	335-3D	219.95	**R-3035	\$ -	345.60	345.60	(219.95)	345.60	125.65
20	324	324	19	Reactors for #9 Transformer These reactors were in poor condition due to repeated flashovers and were replaced with insulated reactors of modern construction designed to eliminate flashovers and terminal heating.	1930	335-3D	2,807.80	K-794	3,687.99	\$ -	3,687.99	880.19	\$ -	880.19
21	324	323	D-2	Graphic Voltmeters (60 cycle) Modified Bristol graphic voltmeters with circular chart replaced by standard Esterline-Angus with roll chart.	1930	335-3D	272.35	**R-3035	\$ -	691.20	691.20	(272.35)	691.20	418.85
22	315	315	27-c	Cable - "R" Station Transf. to Hydro 60 Cycle Bus 1/c-4/0 Kerite Cable from "R" Sta. Transf. to Hydro 60 cycle. Bus Burned & Punctured - Replaced by 3/c-4/0 L.C. Cable.	1930	*C-405	1,904.90	M-1018	\$ -	2,319.72	2,319.72	(1,704.90)	2,319.72	414.82
23	311	311	11	Lighting Changes in Coal Preparation Plant Replacement of existing fixtures with shock-proof, dust-proof type. Also extension of lighting system to provide adequate illumination.	1930		2,275.70	M-1032	\$ -	3,782.88	3,782.88	(2,275.70)	3,782.88	1,507.18

Item No.	Reference to F.P.C. List of Units of Property		Description	Year Replaced	Charge to Depr. Reserve for Original Cost of Property Replaced		Original Charges in Error to Operating Expenses or to Reserve for Depreciation, Claimed as Electric Plant in Reclassification Study			Net Increase in Electric Plant Account Resulting from Correcting Entries Made During Reclassification			
	Account	Item			Account	Amount (a)	Job Order	Reserve for Depreciation (b)	Operating Expenses (c)	Total (b+c) (d)	From Reserve for Depreciation (b-a) (e)	From Operating Expenses (c-a) (f)	Total (e+f or d-a) (g)
24	321	321	13 <u>Filter Bag Washing House</u>										
			The old house (of rugged wood and masonry construction because of its location in the stoplog gallery) was replaced by one of fire-proof (sheet metal) construction located outside the power house at elev. 151.										
25	324	323	D-2 <u>Synchroscope</u>	1931	332-J2	\$ 1,546.42	K-942	\$ 368.55	\$ -	\$ 368.55	\$ (1,177.87)	\$ -	\$ (1,177.87)
			Installed in 1910 and replaced in 1933.										
26	378	378	3 <u>Telephone Poles</u>	1933	335-3D	66.80	MR-3035	-	90.00	90.00	(66.80)	90.00	23.20
			Telephone Poles, purchased or trimmed trees, installed 1910 to 1928 were replaced. Some poles are cut right additions.										
27			Totals	1929-36	340	5,772.06	MR-4041	-	8,629.68	8,629.68	(5,772.06)	8,629.68	2,857.62
						\$50,618.14		\$ 63,959.89	\$92,620.27	\$156,580.16	\$ 13,341.75	\$ 92,620.27	\$ 105,962.02
28			Less: <u>Overhead Adjustments</u>										
			FPC Staff Estimated Excessive Overheads on Unrecorded Retirements (Ex. 51, Sch. 6, Entry 24)										
29			Additional Overheads on Retirements Prior to Jan. 1, 1937, Disallowed by Staff								\$ 50,000.00	\$ -	\$ 50,000.00
30			Total Overhead Adjustments								27,425.48	114.50	27,539.98
31			Net Totals								\$ 77,425.48	\$ 114.50	\$ 77,539.98
											\$ (64,083.73)	\$ 92,505.77	\$ 28,422.04

* Refers to Job Order Number

** Refers to Maintenance Account Number

Schedule K-4

PENNSYLVANIA WATER AND POWER COMPANY
and Susquehanna Transmission Company of Maryland, A Wholly Owned Subsidiary

Statement Showing Disallowed Items of Physical Property Originally
Charged In Error to Operating Expenses and Depreciation Reserve Which are
Agreed to By Company

Item No.	Explanation	Originally Charged in Error to		Property Physically Retired But Not Credited to Plant on Books		Total (a+b+c) (e)
		Operating Exp.	Depr. Res. (a) (b)	(c)		
1	Interest During Construction after 1911	\$ 4,921.91	\$ (86.84)	\$		\$ 4,835.07
2	Items Included in Ex. 25 But Since Found to have been Retired	219.60		(61.22)		158.38
3	Tools Lost in Long Green Fire	1,499.74				1,499.74
4	Adjustments in Ex. 25, Item 42	(82.62)	(2,711.04)	(8,348.76)		(11,142.42)
5	Totals	\$ 6,558.63	\$ (2,797.88)	\$ (8,409.98)		\$ (4,649.23)

Schedule L

March 6, 1913.

To the Trustees of the
Holtwood Presbyterian Church,
Mr. A. J. Rennex, Chairman,
Holtwood, Pa.

Dear Sir:-

Appreciating the necessity for a suitable church building at Holtwood, as expressed by our employees in contributing and securing one half of the necessary funds for the completed building and furnishings, as shown by your letter and report under date of February 21, 1913 - The Pennsylvania Water & Power Company agrees to contribute the balance required, (\$1,400.) - under the following conditions. That is to say, that in accepting this contribution of \$1,400., the Trustees of the Holtwood Presbyterian Church agree, -

1st,- That the church will be fully completed and furnished free from debt.

2nd,- That should it become desirable, the basement shall be accessible for general educational purposes.

3rd,- That the property shall be deeded to the Trustees and their successors.

4th,- That should the Society cease to use the building for church purposes, the property shall revert to the Pennsylvania Water & Power Company.

Congratulating you and your associates upon the successful outcome of your efforts and assuring you that a check for \$1,400. will be forwarded to your Treasurer, upon your written acceptance of the terms of the contribution, I beg to remain,

Very truly yours,

VICE-PRESIDENT.

CEFC/P

J. E. Aldred
President

Charles E. F. Clarke
Vice-President and Treasurer

R. M. Smith
Secretary

J. L. Rintoul
Assistant Treasurer

PENNSYLVANIA WATER & POWER COMPANY

Holtwood

Pennsylvania

In Reply Please Address

March 12, 1913.

Mr. Chas. E. F. Clarke, Vice President,

Penna. Water & Power Co.,

New York, N. Y.

Dear Sir:-

Your letter of March 6th to hand and contents noted, and in reply would say, that in acceptance of the liberal subscription of Fourteen hundred dollars (\$1400.00), to be given by the Pennsylvania Water & Power Company, to further aid in completing and furnishing the Holtwood Presbyterian Church, We the Trustees do hereby accept and agree to the conditions named therein.

Trusting the above will meet with the necessary requirements in securing the sum stated and with many thanks, we beg to remain

Yours very truly,

A. J. Rennex

H. F. Herr Trustees

Schedule L

PENNSYLVANIA WATER & POWER COMPANY

HOLTWOOD CHURCH

Under the section, Form of Government, as set forth in the Constitution of the Presbyterian Church in the U.S.A., Chapter XXVII, Sec. IX, appears the following:

"Whenever, hereafter, a particular Church is formally dissolved by the Presbytery, or has become extinct by reason of the dispersal of its members, the abandonment of its work, or other cause, such property as it may have, both real and personal, shall be held used, and applied for such uses, purposes and trusts as the Presbytery may direct, limit and appoint in conformity with the Constitution of the Presbyterian Church in the U.S.A."

The land on which Holtwood Church is located was never conveyed to the Trustees because the above quoted provision of the Constitution of the Presbyterian Church, to which Holtwood Church was subject, prevented the Trustees accepting title as limited by the 4th provision set forth in the letter of March 6, 1913 from the Company to the Trustees.

Schedule M

PENNSYLVANIA WATER & POWER COMPANYStatement Showing Derivation of Cash Not Accounted For
J. E. Aldred, Receiver

<u>Item No.</u>	<u>Explanation</u>	<u>Amount</u>
1	President's Office Petty Cash Fund As Shown On McCall Ferry Power Co. Books as of July 16, 1909	\$ 500.00
2	Less: President's Office Petty Cash Fund as Recorded by Receiver July 17, 1909	<u>369.01</u>
3	Net Excess Shown by McCall Co. Books Over Receiver's Books	\$ 130.99

Schedule N

PENNSYLVANIA WATER & POWER COMPANY

Statement Showing Summary of River Coal Investigation Expense

<u>Item No.</u>	<u>Explanation</u>	<u>Amount</u>
1	Carney & Lindemuth "Report on Susquehanna River Coal" (Ex. 51, Sch. 20c)	\$ 2,500.00
2	Increase of Coal Storage Area of Anthracite Production Corp. (Ex. 51, Sch. 20c)	2,291.43
3	Coal Storage Facilities of Anthracite Production Corp. (Ex. 51, Sch. 8 - Entry 10)	1,340.98
	Total	\$ 6,132.41

Note - Also see Schedule F-1

Schedule O

PENNSYLVANIA WATER & POWER COMPANY
and Susquehanna Transmission Company of Maryland, A Wholly Owned Subsidiary

Statement Showing the Amount of Interest During Construction
Claimed As a Part of Original Cost But Not Recorded on Books
of Company, Applicable to Period 1912 to 1936, Inclusive
(See Transcript p. 8065)

<u>Year or Period</u>	<u>Calculation @ 6% Per Annum on Monthly Expend.</u>	<u>Actually Paid and Recorded on Books</u>	<u>Net Amount of Addn'l. Claim</u>
1912-15	\$ 39,475.27	\$ 34,083.86	\$ 5,391.41
1916-26	226,390.61	253,435.76	(27,045.15)
1927-29	10,195.54	-	10,195.54
1930	5,604.30	1,359.46	4,244.84
1931	88,161.62	80,709.19	7,452.43
1932	113,521.33	112,653.46	867.87
1933	74,325.39	73,025.54	1,299.85
1934	21,032.82	18,788.07	2,244.75
1935	288.26	48.30	239.96
1936	1,993.44	-	1,993.44
Totals	\$ 580,988.58	\$ 574,103.64	\$ 6,884.94

PENNSYLVANIA WATER & POWER COMPANY

Statement Showing Items Excluded By Company From Exhibit 25 But Allowed By F.P.C. Staff in Exhibit 51

Item No.	Explanation	Staff Disallowances Per Adjusting Entries (Ex. 51, Sch. 8)	Disallowances Conceded By Company In Exhibit 25	Net Staff Disallowances From Books Per Adjusting Entries (a-b)	Additional Co. Claims Included In Ex. 25 But Not Allowed By Staff	Disallowances At Issue In Proceedings	Disallowances Agreed To By Company	Disallowances Protested By Company (e-f)
1	Flowage Basin Account 1910 to 1924, Incl. (Ex. 51, Schedule 20)	\$ -	\$ 206.47	\$ (206.47)	\$ -	\$ (206.47)	\$ -	\$ (206.47)
2	Property Improvements - Accts. d (Ex. 51, Schedule 20)	\$ -	\$ 738.22	\$ (738.22)	\$ -	\$ (738.22)	\$ -	\$ (738.22)
3	Purchasing Property & Flowage Rights, etc.							
4	Other Misc. Expense (Ex. 51, Sch. 20a, col. 6)	\$ -						
5	Flowage Basin Account 1925 to 1936, Incl. (Ex. 51, Schedule 21)							
6	Lancaster Office Expense - Job M-387	\$ -	\$ 384.46	\$ (384.46)	\$ -	\$ (384.46)	\$ -	\$ (384.46)
7	Capital Stock Tax of Holtwood Power Co. 1924-1925	\$ -	\$ 8,015.03	\$ (8,015.03)	\$ -	\$ (8,015.03)	\$ (8,015.03)	\$ -
8	Door Bolt & Latch - Lexington Bldg. Job C-246	\$ -	\$ 15.13	\$ (15.13)	\$ -	\$ (15.13)	\$ -	\$ (15.13)
9	Net Bond Interest Adjustment in 1914	\$ -	\$ 587.86	\$ (587.86)	\$ -	\$ (587.86)	\$ -	\$ (587.86)
10	Holtwood Power Co. Organization Expense	\$ -	\$ 799.69	\$ (799.69)	\$ -	\$ (799.69)	\$ -	\$ (799.69)
11	Totals	\$ -	\$ 10,746.86	\$ (10,746.86)	\$ -	\$ (10,746.86)	\$ (8,015.03)	\$ (2,731.83)

(A) Represents Federal (\$87.21) and Pennsylvania (\$7,604.17) Capital Stock Taxes of Holtwood Power Co. applicable to period prior to Aug. 16, 1925, the date the Holtwood Steam Plant began commercial operations. These taxes were recommended by the Company for transfer to Account 107 - Electric Plant Adjustments in connection with its Original Cost Determination but were not disallowed by the F.P.C. in these proceedings.

Schedule Q

PENNSYLVANIA WATER & POWER COMPANY
 and Susquehanna Transmission Company of Maryland, A Wholly Owned Subsidiary
Statement Showing Construction Work in Progress As Of December 31, 1945

Job No.	Explanation	Total Amount (a)	Date In Service (b)	Amount In Service As Of 12/31/45 (c)	Amount In Service As Of 12/31/46 (d)
<u>A - PENNSYLVANIA WATER & POWER COMPANY</u>					
C-1187	R/W Study - Safe Harbor to Lancaster	\$ 2,122.58	-	-	-
C-1281	Renewals of Options-Lehman Farm-Lancaster R/W	4,090.85	-	-	-
C-1315	Purchase of Flowage Basin Property	52,015.33	-	-	-
C-1400	Engineering and Overhead - General Budget	9,565.78	As Allocated	\$ 4,600.10	\$ 6,114.65
C-1401	Construction Suspense - General Budget	4,897.45	As Allocated	1,666.96	2,210.51
C-1739	Purchase of Additional Rights - Coatesville Trans. Line	30,124.49	As Expended	30,124.49	30,124.49
C-2031	Renewals of Options-Lehman Farm-Lancaster R/W	10,280.81	-	-	-
C-2280	Lehman Farm - Lancaster Transmission Line R/W	264.00	-	-	-
C-2456	New Drainage Pump Header - Units Nos. 8, 9 and 10	453.07	July 16, 1946	-	453.07
C-2462	New Lower Runner for Unit No. 1- Material Purchase-(See Note A)	21,700.00	-	21,700.00	21,700.00
C-2467	Purchase of R/W - Lehman Farm to Lancaster	51,089.82	-	-	-
C-2582	New Intake Screen	559.25	-	-	-
C-2604	Hot Line Equipment for Changing Insulators	956.71	April 16, 1945	956.71	956.71
C-2626	Ramp Unloading Hoist Operating Improvements	3,048.49	March 6, 1946	-	3,048.49
C-2640	Fireless Steam Locomotive	20,615.00	Dec. 10, 1945	20,615.00	20,615.00
C-2642	Extension to Reactor Screens - #3 and #4 Transformers	463.20	Dec. 14, 1945	463.20	463.20
C-2646	Safety Improvements for Engines	243.16	Feb. 20, 1946	-	243.16
C-2650	Add. Neutral Current Relay for #13 and #14 Transformers	376.30	Oct. 19, 1945	376.30	376.30
C-2654	Interior Painting of Machine & Blacksmith Shops	838.08	Mar. 11, 1946	-	838.08
C-2663	Sound Insulation for Vibrating Screens	277.34	Dec. 1, 1945	277.34	277.34
C-2672	Platforms Under #9 and #10 P.T. Compartments	678.75	Dec. 26, 1945	678.75	678.75
C-2678	New Screens Over Draft Tube Sumps (2 Units)	45.34	Oct. 23, 1946	-	45.34
C-2679	Current Balance Relays for Sleet Feeders	661.28	Oct. 22, 1945	661.28	661.28
C-2689	New Dry Type E-21 Potential Transformers	629.21	May 9, 1946	-	629.21
C-2693	Improve Water Supply to Lower Turbine Guide Brdg. Units #2 & #9	1,502.48	Aug. 28, 1946	-	1,502.48
C-2696	Purchase of Cook and Kilgore Properties	125.00	-	-	-
C-2699	Install Poles #20 and #20A - Village.	124.14	May 12, 1946	-	124.14
C-2701	Enclosure in Operating Tunnel - Holtwood Hydro	886.51	Dec. 7, 1945	886.51	886.51
C-2704	Sound Insulation for Telephone Switchboard Room	396.57	Dec. 22, 1945	396.57	396.57
C-2707	Purchase of Martin Coal Fleet	800.00	Dec. 1, 1945	800.00	800.00
C-2720	Miscellaneous Construction Jobs - 1946	207.82	As Expended	207.82	207.82
O-2722	Furniture Additions - 1946	1,071.13	As Expended	1,071.13	1,071.13
C-2725	Purchase of T. S. Martin & Pequea Fuel Co. Properties	14,992.75	As Expended	14,992.75	14,992.75
C-2727	Vent Stack - #1 Dryer Cyclone	686.29	Feb. 15, 1946	-	686.29
	Adjustment from Original Cost Determination	44.47	May 10, 1937	44.47	44.47
Totals - Pennsylvania Water & Power Company		<u>\$236,833.45</u>		<u>\$100,519.38</u>	<u>\$110,147.74</u>
<u>B - SUSQUEHANNA TRANSMISSION COMPANY OF MARYLAND</u>					
B-2694	Sale of Portion of Rever Property	\$ (2,771.27)	Dec. 28, 1945	\$ (2,771.27)	\$ (2,771.27)
B-2695	String Ground Wire for Riverside Line	1,149.08	Feb. 26, 1946	1,149.08	1,149.08
B-2711	Insulation of Patrol Houses - Maryland	2,195.00	As Expended	2,195.00	2,195.00
	Totals - Susquehanna Transmission Co. of Maryland	<u>\$ 572.81</u>		<u>\$ (576.27)</u>	<u>\$ 572.81</u>
Totals - Penna. Water & Power Co. & S. T. Co. of Md.		<u>\$237,406.26</u>		<u>\$ 99,943.11</u>	<u>\$10,720.55</u>
<u>Less: Jobs Not Disallowed by F.P.C. Staff</u>					
Job C-1789 - Purchase of Additional Rights-Coatesville Trans. Line		\$ 30,124.49	As Expended	\$ 30,124.49	\$ 30,124.49
Adjustment from Original Cost Determination		44.47	May 10, 1937	44.47	44.47
Totals Allowed		<u>\$ 30,168.96</u>		<u>\$ 30,168.96</u>	<u>\$ 30,168.96</u>
Totals Disallowed		<u>\$207,237.30</u>		<u>\$ 69,774.15</u>	<u>\$ 80,551.59</u>

Note A - Held as a spare runner for turbines Nos. 1 to 7 - Transferred to Account 131 "Materials and Supplies" December 1946.

Schedule O

EXHIBIT NO. 321.

[24079]

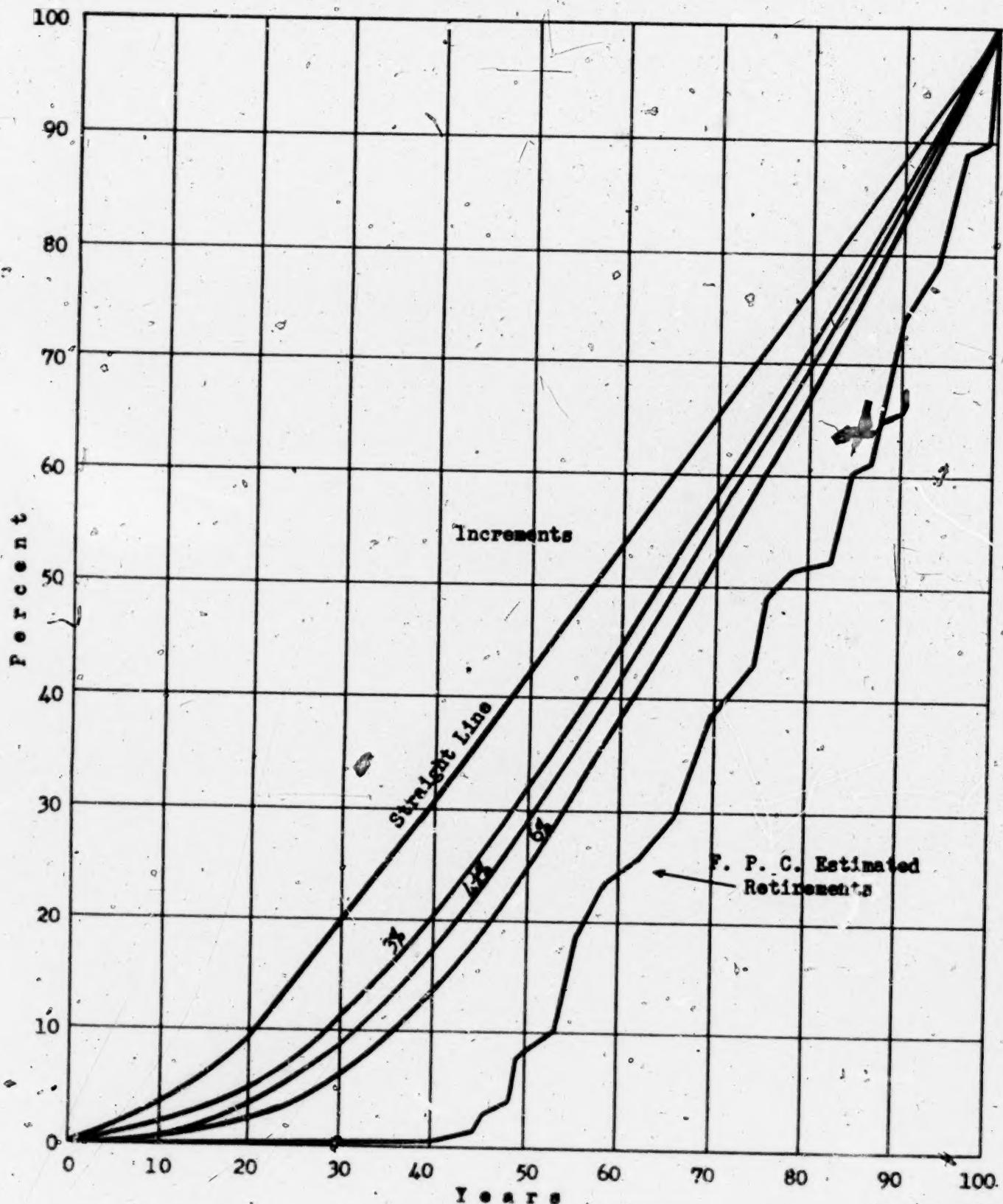
**CUMULATIVE GROSS INCREMENT TO DEPRECIATION RESERVE
COMPARED WITH
CUMULATIVE ESTIMATED RETIREMENTS**

Pennsylvania Water & Power Company
 CUMULATIVE GROSS INCREMENT TO THE DEPRECIATION RESERVE* ON THE STRAIGHT LINE,
 AND THE THREE, FOUR AND ONE QUARTER AND SIX PERCENT INTEREST BASES
 COMPARED WITH CUMULATIVE ESTIMATED RETIREMENTS
 For A Period of One Hundred Years
 1911-2010

A-1

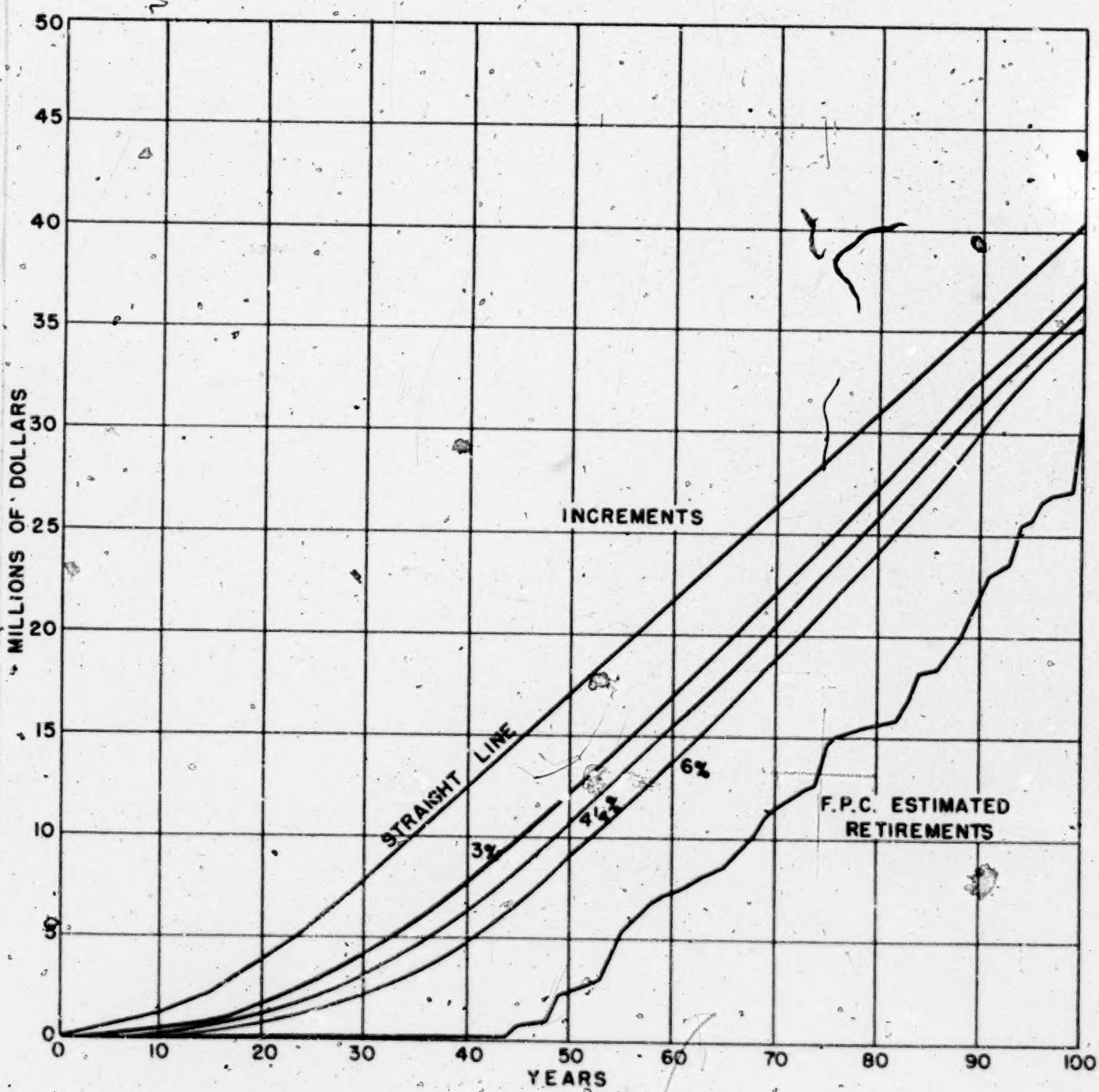
Year	P. P. C. Estimated Retirements		Straight Line		Increments on 3% Basis		Increments on 4% Basis		Increments on 6% Basis	
	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
1			96,058	.24	30,563	.08	18,614	.05	9,434	.03
2			205,588	.51	66,767	.18	40,959	.11	20,922	.06
3			330,099	.82	109,965	.29	68,135	.19	35,223	.10
4			469,965	1.16	160,447	.43	100,372	.28	52,499	.15
5			610,032	1.51	212,549	.57	134,061	.37	70,870	.20
6			752,152	1.86	266,772	.71	169,512	.46	90,524	.26
7			898,141	2.22	324,050	.87	207,401	.57	111,859	.32
8			1,046,103	2.59	383,879	1.03	247,466	.68	134,811	.38
9			1,194,790	2.96	445,777	1.19	289,417	.79	159,249	.45
10			1,343,400	3.33	509,640	1.36	333,262	.91	185,245	.52
11			1,492,896	3.70	575,823	1.54	379,255	1.04	212,973	.60
12			1,643,808	4.07	644,667	1.72	427,688	1.17	242,668	.68
13			1,822,420	4.51	726,374	1.94	485,234	1.33	277,988	.78
14			2,035,222	5.04	822,762	2.20	552,877	1.52	319,352	.90
15	21	-	2,329,007	6.77	961,350	2.57	652,168	1.79	381,760	1.08
16	21	-	2,630,281	6.52	1,107,178	2.96	757,836	2.08	449,286	1.27
17	21	-	2,937,999	7.28	1,260,054	3.37	869,854	2.38	522,000	1.47
18	21	-	3,251,734	8.06	1,420,245	3.79	988,570	2.71	600,288	1.69
19	451	-	3,571,144	8.85	1,587,860	4.24	1,114,212	3.05	684,456	1.93
20	451	-	3,897,679	9.66	1,764,382	4.71	1,248,180	3.42	775,734	2.19
21	451	-	4,240,341	10.50	1,952,974	5.22	1,392,471	3.82	873,182	2.47
22	451	-	4,593,187	11.38	2,150,727	5.75	1,544,993	4.23	981,605	2.77
23	451	-	4,950,694	12.26	2,356,163	6.30	1,705,145	4.67	1,095,041	3.09
24	451	-	5,312,366	13.16	2,570,053	6.87	1,873,871	5.14	1,216,510	3.43
25	5,171	.02	5,704,199	14.13	2,803,853	7.49	2,058,338	5.64	1,390,176	3.81
26	5,171	.02	6,099,181	15.11	3,044,395	8.13	2,251,572	6.17	1,492,281	4.21
27	6,488	.02	6,553,617	16.15	3,302,457	8.82	2,459,137	6.74	1,646,340	4.65
28	9,722	.03	6,951,934	17.22	3,572,361	9.55	2,678,470	7.34	1,811,342	5.11
29	11,509	.04	7,387,956	18.30	3,852,616	10.29	2,908,462	7.97	1,987,058	5.61
30	93,565	.31	7,823,990	19.38	4,142,008	11.07	3,148,911	8.63	2,173,731	6.13
31	95,655	.32	8,266,452	20.48	4,440,428	11.86	3,398,185	9.31	2,368,067	6.68
32	109,623	.36	8,727,761	21.62	4,757,803	12.71	3,665,621	10.05	2,579,128	7.28
33	120,711	.40	9,190,774	22.77	5,085,172	13.99	3,944,504	10.81	2,802,468	7.91
34	123,512	.41	9,654,678	23.92	5,422,483	14.49	4,235,099	11.61	3,038,751	8.57
35	125,122	.42	10,120,030	25.07	5,770,545	15.42	4,538,433	12.44	3,269,389	9.28
36	135,081	.43	10,585,382	26.22	6,129,001	16.38	4,834,632	13.30	3,554,969	10.03
37	141,799	.47	11,050,734	27.37	6,497,912	17.36	5,187,625	14.21	3,835,886	10.82
38	147,804	.49	11,516,086	28.53	6,877,688	18.38	5,526,723	15.13	4,133,255	11.66
39	151,850	.50	11,981,438	29.68	7,268,678	19.40	5,883,939	16.13	4,448,106	12.55
40	157,755	.52	12,446,790	30.83	7,671,276	20.50	6,256,165	17.15	4,781,605	13.49
41	165,841	.55	12,912,142	31.99	8,085,775	21.60	6,643,959	18.21	5,134,760	14.49
42	200,862	.67	13,377,494	33.14	8,512,466	22.74	7,047,891	19.32	5,508,619	15.54
43	227,015	.75	13,842,846	34.29	8,930,907	23.92	7,467,902	20.47	5,902,808	16.66
44	315,654	1.05	14,308,198	35.44	9,401,717	25.12	7,903,835	21.66	6,319,080	17.83
45	218,198	2.72	14,773,550	36.60	9,861,392	26.35	8,334,945	22.90	6,755,010	19.06
46	869,010	2.88	15,238,902	37.75	10,323,841	27.58	8,803,869	24.13	7,186,943	20.28
47	971,654	3.22	15,704,254	38.90	10,796,578	28.85	9,269,713	25.41	7,641,743	21.56
48	1,162,332	3.86	16,169,606	40.06	11,280,419	30.14	9,750,993	26.72	8,117,672	22.91
49	2,190,996	7.27	16,634,958	41.21	11,773,055	31.46	10,264,623	28.08	8,610,716	24.30
50	2,505,707	8.32	17,100,310	42.36	12,249,610	32.73	10,715,514	29.37	9,071,623	25.60
51	2,633,019	8.74	17,565,662	43.51	12,731,020	34.02	11,193,043	30.68	9,541,302	26.92
52	2,889,228	9.99	18,031,014	44.67	13,223,053	35.33	11,685,456	32.03	10,031,523	28.31
53	2,986,311	9.91	18,496,366	45.82	13,722,161	36.66	12,187,908	33.40	10,535,783	29.73
54	4,157,817	13.80	18,961,718	46.97	14,233,330	38.03	12,747,988	34.83	11,064,477	31.22
55	5,408,269	17.95	19,427,070	48.17	14,724,668	39.34	13,199,565	36.18	11,534,601	32.61
56	5,876,655	19.50	19,892,422	49.28	15,193,274	40.60	13,699,307	37.44	11,999,109	33.86
57	6,393,568	21.22	20,357,774	50.43	15,661,866	41.85	14,118,682	38.70	12,442,176	35.11
58	6,908,051	22.93	20,823,126	51.58	16,129,008	43.10	14,575,611	39.95	12,880,816	36.35
59	7,058,953	23.43	21,288,478	52.74	16,594,730	44.34	15,030,054	41.19	13,314,906	37.57
60	7,288,623	24.19	21,753,830	53.89	17,069,896	45.61	15,497,479	42.47	13,765,987	38.85
61	7,498,886	24.89	22,219,182	55.04	17,552,421	46.90	15,974,959	43.78	14,230,341	40.16
62	7,793,543	25.87	22,684,534	56.19	18,043,120	48.21	16,463,804	45.12	14,709,952	41.51
63	8,140,820	27.02	23,149,886	57.35	18,539,700	49.54	16,960,902	46.49	15,200,661	42.89
64	8,275,093	27.46	23,615,238	58.50	19,040,759	50.88	17,464,367	47.86	15,699,975	44.30
65	8,672,643	28.78	24,080,590	59.65	19,552,822	52.24	17,983,523	49.29	16,221,192	45.77

Pennsylvania Water & Power Company
CUMULATIVE PERCENTAGE GROSS INCREMENT TO THE DEPRECIATION RESERVE ON THE
Straight Line and the Three, Four and One Quarter and Six Percent Interest Bases
COMPARED WITH CUMULATIVE ESTIMATED RETIREMENTS
 For A Period of One Hundred Years
 1911-2010



PENNSYLVANIA WATER & POWER COMPANY
 CUMULATIVE GROSS INCREMENT TO THE DEPRECIATION RESERVE IN DOLLARS
 ON THE STRAIGHT LINE, 3, 4½, AND 6 PERCENT INTEREST BASES
 COMPARED WITH CUMULATIVE ESTIMATED RETIREMENTS

1911-2010



[24082]

Exhibit No. 321

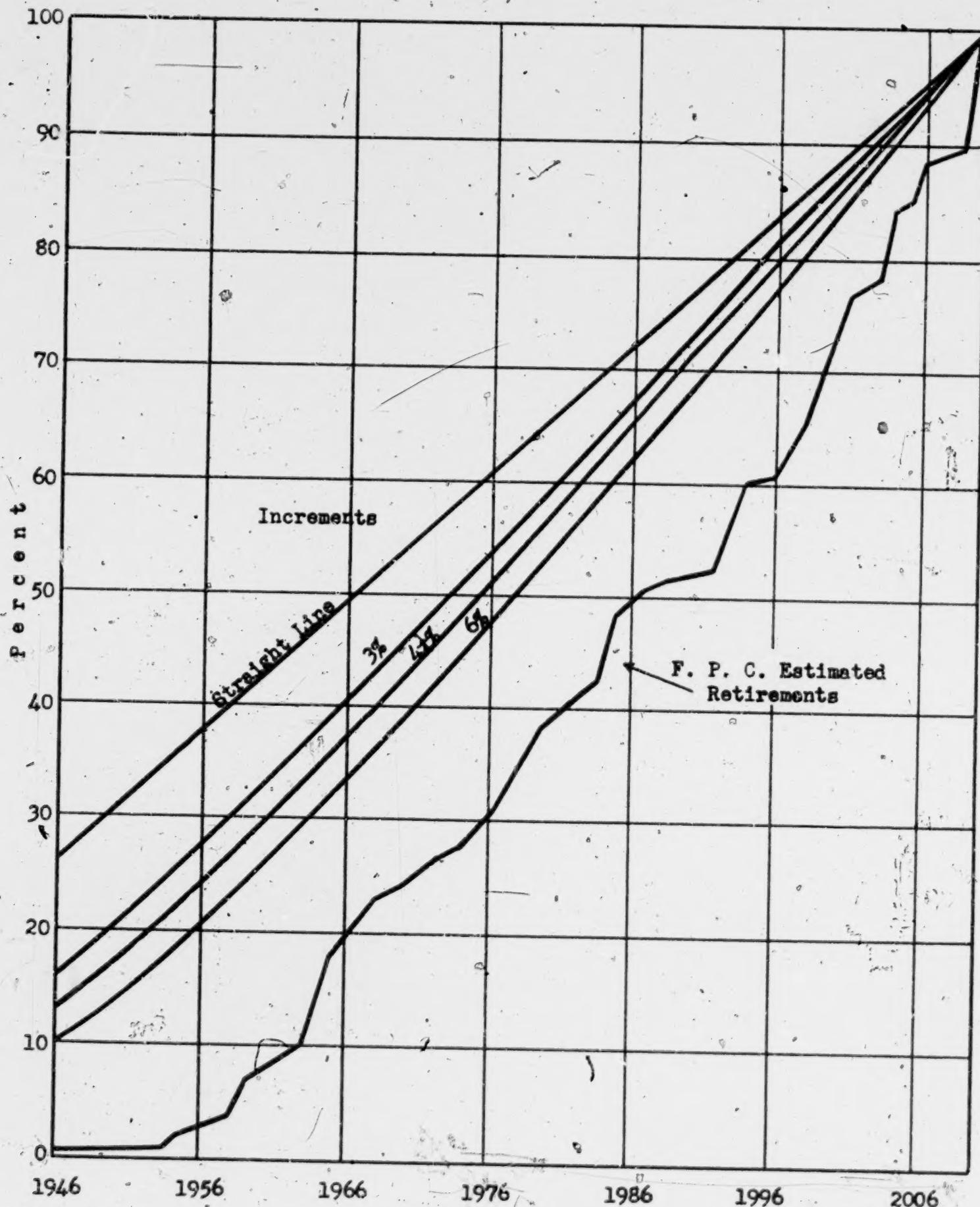
4077

Pennsylvania Water & Power Company
 CUMULATIVE GROSS INCREMENT TO THE DEPRECIATION RESERVE* ON THE STRAIGHT LINE,
 AND THE THREE, FOUR AND ONE QUARTER AND SIX PERCENT INTEREST BASES
 COMPARED WITH CUMULATIVE ESTIMATED RETIREMENTS
 1946-2010

A-4

Year	F. P. C. Estimated Retirements		Straight Line		Increments on 3% Basis		Increments on 4 1/4% Basis		Increments on 6% Basis	
	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
1946	135,081	.45	10,585,382	26.22	6,129,001	16.38	4,854,632	13.30	3,554,969	10.03
1947	141,799	.47	11,050,734	27.37	6,497,912	17.36	5,183,825	14.21	3,835,886	10.82
1948	147,804	.49	11,516,086	28.53	6,877,688	18.38	5,526,723	15.15	4,133,255	11.66
1949	151,850	.50	11,981,438	29.68	7,268,678	19.40	5,883,939	16.13	4,448,106	12.55
1950	157,755	.52	12,446,790	30.83	7,671,276	20.50	6,256,165	17.15	4,781,605	13.49
1951	165,841	.55	12,912,142	31.99	8,085,775	21.60	6,643,959	18.21	5,134,760	14.49
1952	200,862	.67	13,377,494	33.14	8,512,466	22.74	7,047,891	19.32	5,508,619	15.54
1953	227,015	.75	13,842,846	34.29	8,950,907	23.92	7,467,502	20.47	5,902,808	16.66
1954	315,654	1.05	14,308,198	35.44	9,401,717	25.12	7,903,835	21.66	6,319,080	17.83
1955	818,198	2.72	14,773,550	36.60	9,863,392	26.35	8,354,945	22.90	6,755,010	19.06
1956	869,010	2.88	15,238,902	37.75	10,323,841	27.58	8,803,869	24.13	7,186,943	20.28
1957	971,654	3.22	15,704,254	38.90	10,796,578	28.85	9,269,713	25.41	7,641,743	21.56
1958	1,162,332	3.86	16,169,606	40.06	11,280,419	30.14	9,750,993	26.72	8,117,672	22.91
1959	2,190,996	7.27	16,634,958	41.21	11,773,055	31.46	10,244,623	28.08	8,610,716	24.30
1960	2,505,707	8.32	17,100,310	42.36	12,249,610	32.73	10,715,514	29.37	9,071,623	25.60
1961	2,633,019	8.74	17,565,662	43.51	12,731,020	34.02	11,193,043	30.68	9,541,302	26.92
1962	2,889,228	9.59	18,031,014	44.67	13,223,053	35.33	11,685,456	32.03	10,031,523	28.31
1963	2,986,311	9.91	18,496,366	45.82	13,722,161	36.66	12,187,908	33.40	10,535,785	29.73
1964	4,157,817	13.80	18,961,718	46.97	14,233,330	38.03	12,707,588	34.83	11,064,477	31.22
1965	5,408,269	17.95	19,427,070	48.12	14,724,688	39.34	13,199,565	36.18	11,554,601	32.61
1966	5,876,655	19.50	19,892,422	49.28	15,193,274	40.60	13,659,307	37.44	11,949,105	33.86
1967	6,393,568	21.22	20,357,774	50.43	15,661,866	41.85	14,118,682	38.70	12,442,176	35.11
1968	6,908,051	22.93	20,823,126	51.58	16,129,008	43.10	14,575,611	39.95	12,880,816	36.35
1969	7,058,953	23.43	21,288,478	52.74	16,594,730	44.34	15,030,094	41.19	13,314,906	37.57
1970	7,288,823	24.19	21,753,830	53.89	17,069,896	45.61	15,497,479	42.47	13,765,987	38.85
1971	7,498,886	24.89	22,219,182	55.04	17,552,421	46.90	15,974,959	43.78	14,230,341	40.16
1972	7,793,543	25.87	22,684,534	56.19	18,043,120	48.21	16,463,804	45.12	14,709,952	41.51
1973	8,140,820	27.02	23,149,886	57.35	18,539,700	49.54	16,960,902	46.49	15,200,661	42.89
1974	8,275,093	27.46	23,615,238	58.50	19,040,759	50.88	17,464,367	47.86	15,699,975	44.30
1975	8,672,643	28.78	24,080,590	59.65	19,552,822	52.24	17,983,523	49.29	16,221,192	45.77
1976	9,175,721	30.45	24,545,942	60.81	20,068,320	53.62	18,507,847	50.72	16,749,829	47.26
1977	9,752,809	32.37	25,011,294	61.96	20,584,191	55.00	19,033,074	52.16	17,279,999	48.76
1978	10,203,816	33.87	25,476,646	63.11	21,098,225	56.37	19,556,097	53.60	17,807,354	50.25
1979	11,053,500	36.69	25,941,998	64.26	21,614,150	57.75	20,082,181	55.04	18,399,290	51.92
1980	11,625,094	38.58	26,407,350	65.42	22,120,063	59.10	20,594,512	56.44	18,852,161	53.20
1981	11,966,794	39.72	26,872,702	66.57	22,624,005	60.45	21,104,324	57.84	19,361,509	54.63
1982	12,364,921	41.04	27,338,054	67.72	23,132,814	61.81	21,621,281	59.26	19,880,916	56.10
1983	12,643,662	41.96	27,803,406	68.87	23,644,944	63.18	22,143,288	60.69	20,407,600	57.59
1984	12,770,885	42.41	28,268,758	70.03	24,164,075	64.57	22,675,634	62.15	20,949,160	59.11
1985	14,619,402	48.52	28,734,110	71.18	24,694,784	65.98	23,224,943	63.65	21,515,221	60.71
1986	15,039,448	49.92	29,199,462	72.33	25,186,138	67.30	23,719,290	65.01	22,004,694	62.09
1987	15,322,875	50.86	29,664,814	73.49	25,679,632	68.61	24,216,795	66.37	22,498,333	63.49
1988	15,475,799	51.36	30,130,166	74.64	26,179,428	69.95	24,723,399	67.76	23,004,584	64.91
1989	15,516,004	51.50	30,595,518	75.79	26,689,630	71.31	25,245,034	69.19	23,532,035	66.40
1990	15,600,230	51.78	31,060,870	76.94	27,213,932	72.71	25,787,130	70.68	24,088,721	67.97
1991	15,685,973	52.06	31,526,222	78.10	27,751,436	74.15	26,348,685	72.22	24,673,754	69.63
1992	15,856,761	52.63	31,991,574	79.25	28,302,493	75.62	26,930,462	73.81	25,288,745	71.36
1993	16,812,669	55.80	32,456,926	80.40	28,864,958	77.13	27,529,706	75.45	25,930,388	73.17
1994	18,182,170	60.35	32,922,278	81.56	29,415,620	78.60	28,113,792	77.05	26,553,175	74.93
1995	18,249,396	60.57	33,387,630	82.71	29,941,717	80.00	28,664,498	78.56	27,131,159	76.56
1996	18,346,889	60.89	33,852,982	83.86	30,481,580	81.45	29,235,752	80.13	27,739,789	78.28
1997	19,103,196	63.40	34,318,334	85.01	31,034,714	82.92	29,827,141	81.75	28,379,087	80.08
1998	19,803,549	65.73	34,783,686	86.17	31,581,753	84.38	30,411,521	83.35	29,011,364	81.86
1999	21,093,269	70.01	35,249,038	87.32	32,124,192	85.83	30,990,972	84.94	29,639,557	83.64
2000	22,347,060	74.17	35,714,390	88.47	32,644,213	87.22	31,510,236	86.44	30,228,058	85.30
2001	23,123,199	76.74	36,179,742	89.62	33,142,221	88.55	32,059,558	87.87	30,776,642	86.85
2002	23,409,674	77.70	36,645,094	90.78	33,631,945	89.86	32,568,050	89.26	31,311,693	88.36
2003	23,696,417	78.65	37,110,446	91.93	34,127,706	91.19	33,085,893	90.68	31,861,538	89.91
2004	25,565,321	84.85	37,575,798	93.08	34,629,738	92.53	33,613,558</td			

Pennsylvania Water & Power Company
CUMULATIVE PERCENTAGE GROSS INCREMENT TO THE DEPRECIATION RESERVE ON THE
STRAIGHT LINE AND THE THREE, FOUR AND ONE QUARTER AND SIX PERCENT INTEREST BASES
COMPARED WITH CUMULATIVE ESTIMATED RETIREMENTS
1946-2010



[24084]

Exhibit No. 321

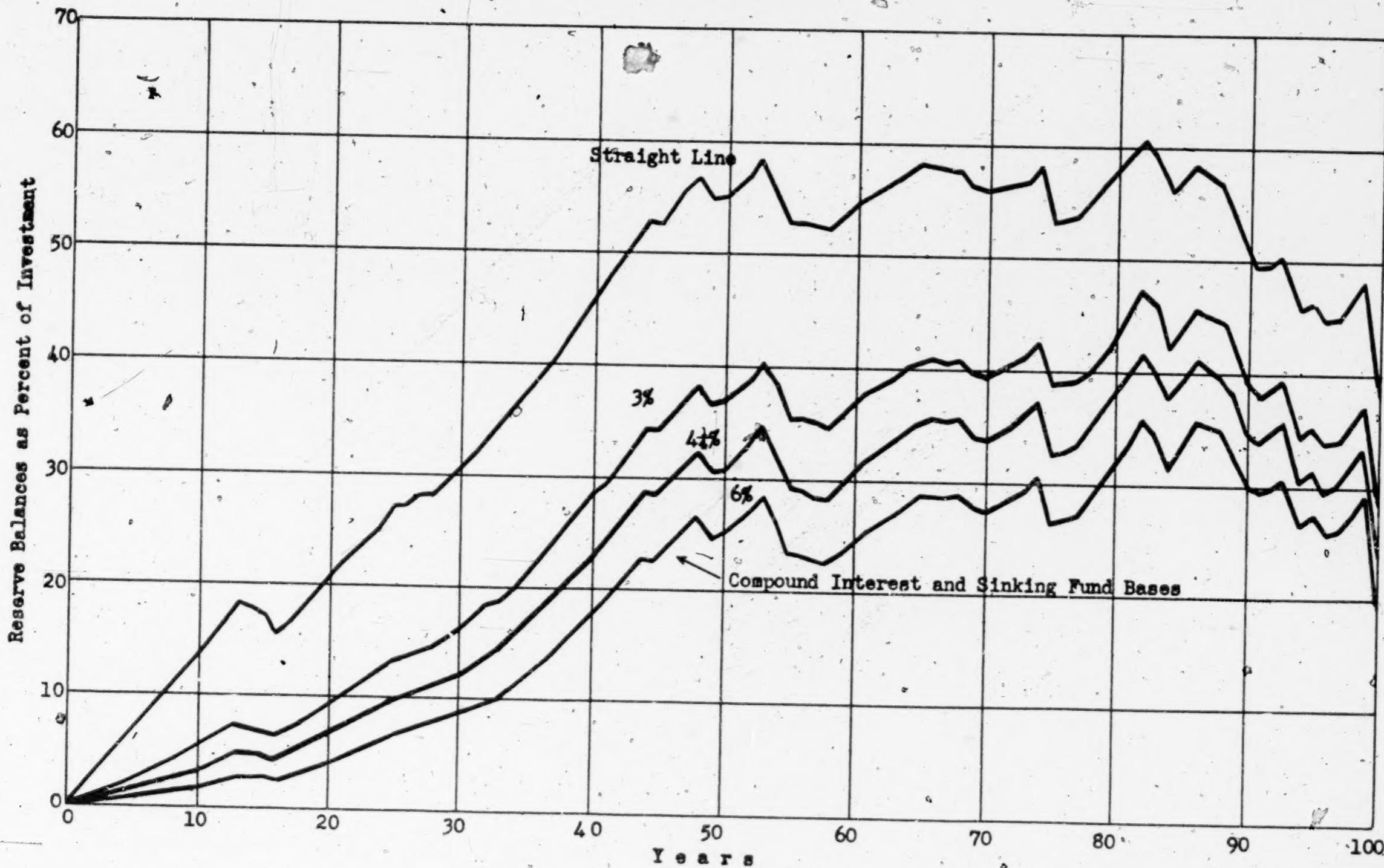
4079

Pennsylvania Water & Power Company
 RELATIONSHIP OF RESERVE BALANCES ACCUMULATED ON THE STRAIGHT LINE AND
 COMPOUND INTEREST AND SINKING FUND BASES AT 3, 4 $\frac{1}{4}$ AND 6 PERCENT
 TO TOTAL INVESTMENT IN DEPRECIABLE PROPERTY
 1911-2010

A-6

Year	Total Investment in Depreciable Property	Reserve Balance at Year End							
		Straight Line		3 Percent		4 $\frac{1}{4}$ Percent		6 Percent	
		Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
1	\$6,103,564	96,058	1.6	50,563	0.5	18,614	0.3	9,434	0.2
2	6,824,157	205,588	3.0	66,767	1.0	40,959	0.6	20,922	0.3
3	7,690,936	330,099	4.3	109,965	1.4	68,135	0.9	35,223	0.5
4	8,555,656	469,965	5.5	160,447	1.9	100,372	1.2	52,499	0.6
5	9,447,334	610,032	6.5	212,549	2.2	134,061	1.4	70,870	0.8
6	9,455,835	752,152	8.0	266,772	2.8	169,512	1.8	90,514	1.0
7	9,623,082	898,141	9.3	324,050	3.4	207,401	2.2	111,859	1.2
8	9,866,389	1,046,103	10.6	383,879	3.9	247,466	2.5	134,811	1.4
9	9,972,891	1,194,790	12.0	445,777	4.5	289,417	2.9	159,249	1.6
10	10,017,705	1,343,400	13.4	509,640	5.1	333,262	3.3	185,245	1.8
11	9,992,053	1,492,396	14.9	575,823	5.8	379,255	3.8	212,973	2.1
12	10,036,086	1,643,808	16.4	644,667	6.4	427,688	4.3	242,668	2.4
13	10,102,533	1,822,420	18.0	726,374	7.2	485,234	4.8	277,988	2.8
14	11,714,495	2,035,222	17.4	822,762	7.0	552,877	4.7	319,352	2.7
15	13,857,087	2,328,986	16.8	961,329	6.9	652,147	4.7	381,739	2.8
16	97,639,966	2,630,260	14.9	1,107,157	6.3	757,815	4.3	449,267	2.5
17	18,072,065	2,937,938	16.3	1,260,033	7.0	869,833	4.8	521,979	2.9
18	18,436,239	3,251,713	17.6	1,420,224	7.7	988,549	5.4	600,267	3.3
19	18,751,247	3,570,693	19.0	1,587,409	8.5	1,113,761	5.9	684,005	3.6
20	19,029,821	3,897,228	20.5	1,763,931	9.3	1,247,729	6.6	775,283	4.1
21	19,313,255	4,239,690	22.0	1,952,523	10.1	1,392,020	7.2	874,731	4.5
22	20,168,348	4,592,736	22.8	2,150,276	10.7	1,544,542	7.7	981,154	4.9
23	20,871,095	4,950,243	23.7	2,355,712	11.3	1,704,694	8.2	1,094,590	5.2
24	21,128,954	5,311,882	25.1	2,569,569	12.2	1,873,387	8.9	1,216,026	5.8
25	21,291,903	5,698,988	26.8	2,797,842	13.1	2,053,167	9.6	1,345,005	6.3
26	22,921,140	6,094,010	26.6	3,039,224	13.3	2,246,401	9.8	1,487,110	6.5
27	23,061,627	6,514,129	28.2	3,295,869	14.3	2,452,649	10.6	1,639,852	7.1
28	24,783,855	6,942,232	28.0	3,562,839	14.4	2,668,748	10.8	1,801,620	7.3
29	25,295,919	7,375,547	29.2	3,841,107	15.2	2,896,953	11.5	1,975,549	7.8
30	25,459,747	7,630,425	30.0	4,048,443	15.9	3,055,346	12.0	2,080,166	8.2
31	25,533,351	8,170,797	32.0	4,344,773	17.0	3,302,530	12.9	2,272,412	8.9
32	25,775,760	8,618,158	33.4	4,648,180	18.0	3,555,998	13.8	2,469,505	9.6
33	26,545,998	9,070,063	34.2	4,964,461	18.7	3,823,793	14.4	2,681,757	10.1
34	26,612,172	9,531,166	35.8	5,298,971	19.9	4,111,587	15.5	2,915,239	11.0
35	26,652,298	9,994,908	37.5	5,645,423	21.2	4,413,331	16.6	3,164,267	11.9
36	26,718,502	10,450,301	39.1	5,993,920	22.4	4,719,551	17.7	3,419,888	12.8
37	26,718,502	10,908,935	40.8	6,356,113	23.8	5,042,026	18.9	3,694,087	13.8
38	26,718,502	11,368,282	42.5	6,729,884	25.2	5,378,919	20.1	3,985,451	14.9
39	26,718,502	11,829,588	44.3	7,116,828	26.6	5,732,089	21.5	4,296,256	16.1
40	26,718,502	12,289,035	46.0	7,513,521	28.1	6,099,410	22.8	4,623,850	17.3
41	26,718,502	12,746,301	47.7	7,919,934	29.6	6,478,118	24.2	4,968,919	18.6
42	26,718,502	13,176,632	49.3	8,311,604	31.1	6,847,029	25.6	5,307,757	19.9
43	26,718,502	13,615,831	51.0	8,723,892	32.7	7,240,487	27.1	5,675,793	21.2
44	26,718,502	13,992,544	52.4	9,086,063	34.0	7,588,181	28.4	6,003,426	22.5
45	26,718,502	13,955,352	52.2	9,045,194	33.9	7,536,747	28.2	5,936,812	22.2
46	26,718,502	14,369,892	53.8	9,454,831	35.4	7,934,859	29.7	6,317,933	23.6
47	26,718,502	14,732,600	55.1	9,824,924	36.8	8,298,059	31.1	6,670,089	25.0
48	26,718,502	15,007,274	56.2	10,118,087	37.9	8,588,661	32.1	6,955,340	26.0
49	26,718,502	14,443,962	54.1	9,582,059	35.9	8,053,627	30.1	6,419,720	24.0
50	26,718,502	14,594,603	54.6	9,743,903	36.5	8,208,807	30.7	6,565,916	24.6
51	26,718,502	14,932,643	55.3	10,098,001	37.8	8,560,024	32.0	6,908,283	25.9
52	26,718,502	15,141,786	56.7	10,333,825	38.7	8,796,228	32.9	7,142,295	26.7
53	26,718,502	15,510,055	58.0	10,735,850	40.2	9,201,597	34.4	7,549,474	28.3
54	26,718,502	14,803,901	55.4	10,075,513	37.7	8,549,771	32.0	6,906,660	25.8
55	26,718,502	14,018,801	52.5	9,316,419	34.9	7,791,296	29.2	6,146,332	23.0
56	26,718,502	14,015,767	52.5	9,316,619	34.9	7,782,652	29.1	6,122,450	22.9
57	26,718,502	13,964,206	52.3	9,268,298	34.7	7,725,114	28.9	6,048,608	22.6
58	26,718,502	13,915,075	52.1	9,220,957	34.5	7,667,560	28.7	5,972,765	22.4
59	26,718,502	14,229,525	53.3	9,535,777	35.7	7,971,141	29.8	6,255,953	23.4
60	26,718,502	14,465,007	54.1	9,781,073	36.6	8,208,656	30.7	6,47	

Pennsylvania Water & Power Company
 PERCENTAGE RELATIONSHIP OF RESERVE BALANCES ACCUMULATED ON THE STRAIGHT LINE AND
 COMPOUND INTEREST AND SINKING FUND BASES AT 3, 4½ AND 6 PERCENT
 TO TOTAL INVESTMENT IN DEPRECIABLE PROPERTY
 1911-2010



57	1,077,200	41.44	40,337,774	30.43	13,001,000						
58	6,908,051	22.93	20,823,126	51.58	16,129,008	43.10	14,575,811	39.95	12,880,816	36.35	
59	7,058,953	23.43	21,288,478	52.74	16,594,730	44.34	15,030,094	41.19	13,314,906	37.77	
60	7,288,823	24.19	21,753,830	53.89	17,069,896	45.61	15,497,479	42.47	13,765,987	38.85	
61	7,498,886	24.89	22,219,182	55.04	17,552,421	46.90	15,974,955	43.78	14,230,341	40.16	
62	7,700,543	25.87	22,684,534	56.19	18,043,120	48.21	16,463,804	45.12	14,709,952	41.51	
63	8,140,820	27.02	23,149,886	57.35	18,539,700	49.54	16,960,902	46.49	15,200,661	42.89	
64	8,275,093	27.46	23,615,238	58.50	19,040,759	50.88	17,464,367	47.86	15,699,975	44.30	
65	8,672,643	28.78	24,080,990	59.65	19,552,822	52.24	17,983,523	49.29	16,221,192	45.77	
66	9,175,721	30.45	24,545,942	60.81	20,068,320	53.62	18,307,847	50.72	16,749,829	47.26	
67	9,752,809	32.37	25,011,294	61.96	20,584,191	55.00	19,033,074	52.16	17,279,999	48.76	
68	10,203,816	33.87	25,476,646	63.11	21,096,225	56.37	19,556,097	53.60	17,807,354	50.25	
69	11,053,500	36.69	25,941,998	64.26	21,614,150	57.75	20,082,181	55.04	18,399,290	51.92	
70	11,625,094	38.58	26,407,350	65.42	22,120,063	59.10	20,594,512	56.44	18,852,161	53.20	
71	11,966,794	39.72	26,872,702	66.57	22,624,005	60.45	21,104,324	57.84	19,361,509	54.63	
72	12,364,921	41.04	27,338,054	67.72	23,132,814	61.81	21,621,281	59.26	19,880,916	56.10	
73	12,643,662	41.96	27,803,406	68.87	23,644,944	63.18	22,143,288	60.69	20,407,600	57.39	
74	12,776,885	42.41	28,268,758	70.03	24,164,075	64.57	22,675,634	62.15	20,949,160	59.11	
75	14,619,402	48.52	28,734,110	71.18	24,694,784	65.98	23,224,943	63.65	21,515,221	60.71	
76	15,039,448	49.92	29,199,462	72.33	25,186,138	67.30	23,719,290	65.01	22,004,694	62.09	
77	15,322,875	50.86	29,664,814	73.49	25,679,632	68.61	24,216,795	66.37	22,498,333	63.49	
78	15,475,799	52.36	30,130,166	74.64	26,179,428	69.95	24,723,399	67.76	23,004,584	64.91	
79	15,516,004	51.50	30,595,518	75.79	26,689,630	71.31	25,245,034	69.19	23,532,035	66.40	
80	15,600,230	51.78	31,060,870	76.94	27,213,932	72.71	25,787,130	70.68	24,088,721	67.97	
81	15,685,973	52.06	31,526,222	78.10	27,751,436	74.15	26,348,685	72.22	24,673,754	69.63	
82	15,856,761	52.63	31,991,574	79.25	28,302,493	75.62	26,930,462	73.81	25,288,745	71.36	
83	16,812,669	55.80	32,456,926	80.40	28,864,958	77.13	27,529,706	75.45	25,930,388	73.17	
84	18,182,170	60.35	32,922,278	81.56	29,415,620	78.60	28,113,792	77.05	26,553,175	74.93	
85	18,249,396	60.57	33,387,630	82.71	29,941,717	80.00	28,664,498	78.56	27,131,159	76.56	
86	18,346,889	60.89	33,852,982	83.86	30,481,580	81.45	29,235,752	80.13	27,739,789	78.28	
87	19,103,196	63.40	34,318,334	85.01	31,034,714	82.92	29,827,141	81.75	28,379,067	80.08	
88	19,803,549	65.73	34,783,686	86.17	31,581,753	84.38	30,411,21	83.35	29,011,364	81.86	
89	21,093,269	70.01	35,249,038	87.32	32,124,192	85.83	30,990,972	84.94	29,639,557	83.64	
90	22,347,060	74.17	35,714,390	88.47	32,644,213	87.22	31,540,236	86.44	30,228,058	85.30	
91	23,121,199	76.74	36,179,742	89.62	33,142,221	88.55	32,059,558	87.87	30,776,642	86.85	
92	23,409,674	77.70	36,645,094	90.78	33,631,945	89.86	32,568,050	89.26	31,311,693	88.36	
93	23,696,417	78.65	37,110,446	91.93	34,127,706	91.19	33,085,893	90.68	31,861,538	89.91	
94	25,565,321	84.85	37,575,798	93.08	34,629,738	92.53	33,613,558	92.13	32,427,169	91.50	
95	25,764,978	85.51	38,041,150	94.24	35,090,764	93.76	34,084,220	93.42	32,914,604	92.88	
96	26,722,085	88.69	38,506,502	95.39	35,559,631	95.01	34,566,400	94.74	33,419,306	94.30	
97	27,026,298	89.70	38,971,854	96.54	36,013,850	96.23	35,028,395	96.00	33,896,863	95.65	
98	27,091,132	89.91	39,437,206	97.69	36,472,570	97.45	35,497,096	97.29	34,384,821	97.03	
99	27,163,956	90.16	39,902,558	98.85	36,943,106	98.71	35,982,961	98.62	34,898,166	98.48	
100	30,129,460	100.00	40,367,910	100.00	37,425,574	100.00	36,486,381	100.00	35,437,943	100.00	

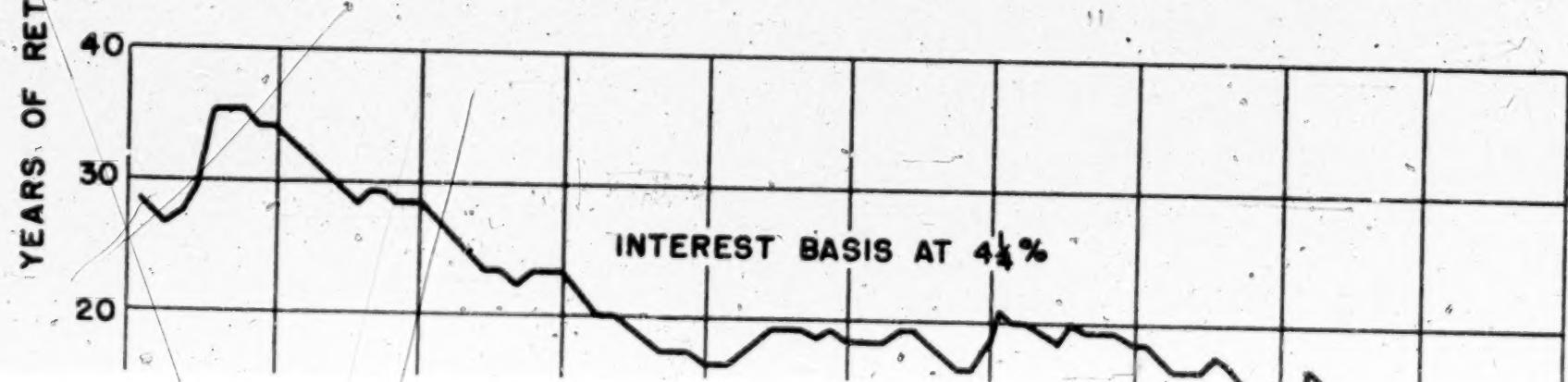
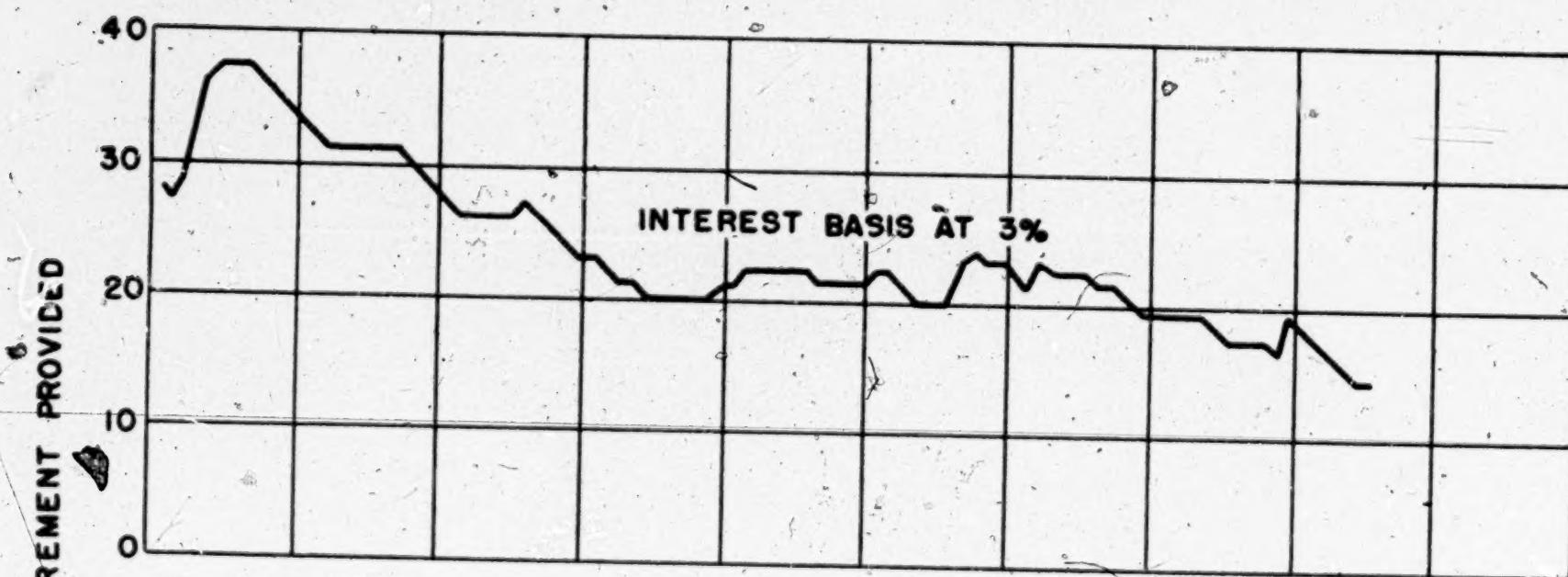
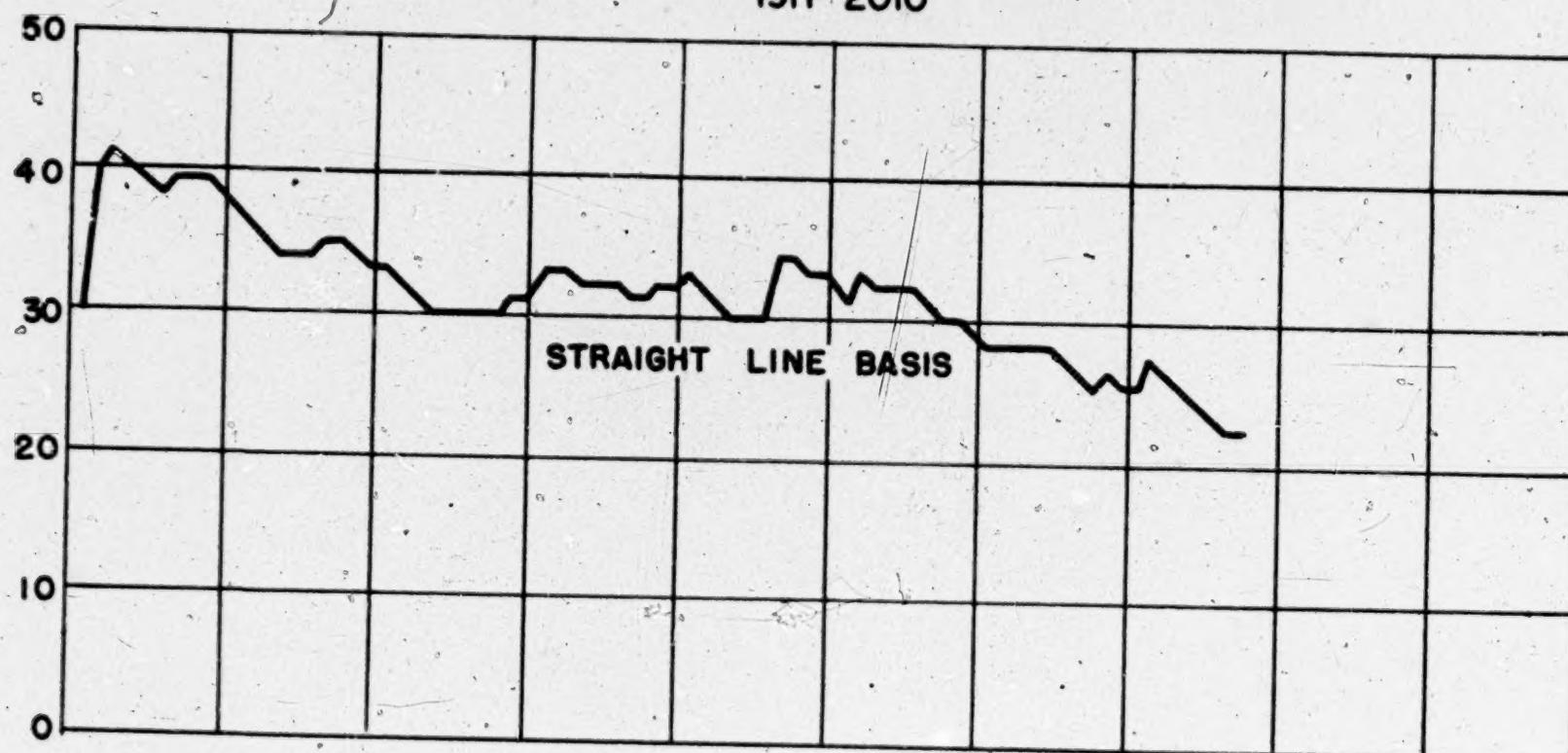
*Interest components based on year end balances in the depreciation reserve.

Pennsylvania Water & Power Company
DEPRECIATION RESERVE BALANCES AT END OF EACH YEAR EXPRESSED
IN NUMBER OF SUBSEQUENT YEARS OF ESTIMATED RETIREMENT REQUIREMENTS
1911-2010

Reserve Balance at End of Year	Subsequent Years of Estimated Retirement:				Reserve Balance at End of Year	Subsequent Years of Estimated Retirement:			
	Straight Line Basis	Interest Basis at 3 Percent	4% Percent	6 Percent		Straight Line Basis	Interest Basis at 3 Percent	4% Percent	6 Percent
1911	30	28	28	26	1961	32	22	18	15
1912	40	27	27	27	1962	31	22	18	15
1913	41	29	26	26	1963	33	21	18	15
1914	40	36	27	25	1964	32	20	19	15
1915	39	37	30	24 ³	1965	32	20	19	14
1916	38	37	35	23	1966	32	20	18	15
1917	39	37	35	25	1967	31	23	17	15
1918	39	36	35	27	1968	30	24	16	16
1919 ⁴	39	35	34	31	1969	30	23	16	15
1920	38	34	34	31	1970	29	23	18	14
1921	37	33	33	31	1971	28	22	21	13
1922	36	32	32	31	1972	28	21	20	13
1923	35	31	31	30	1973	28	23	20	13
1924	34	31	30	30	1974	28	22	19	17
1925	34	31	29	29	1975	28	22	18	17
1926	34	31	28	28	1976	27	22	20	16
1927	35	31	29	27	1977	26	21	19	16
1928	35	31	29	26	1978	25	21	19	15
1929	34	30	29	25	1979	26	20	19	16
1930	33	29	28	24	1980	25	19	18	16
1931	33	27	27	25	1981	25	19	18	16
1932	32	26	26	25	1982	27	19	17	16
1933	31	26	25	24	1983	26	19	16	15
1934	30	26	24	24	1984	25	19	16	14
1935	30	26	23	23	1985	24	18	16	14
1936	30	27	23	22	1986	23	17	17	13
1937	30	26	22	21	1987	22	17	16	13
1938	30	25	23	20	1988	22	17	15	12
1939	31	24	23	19	1989	16	16	14	13
1940	31	23	23	18	1990	19	15	15	13
1941	32	23	22	18	1991	18	14	12	
1942	33	22	21	18	1992	17	14	11	
1943	33	21	20	18	1993	16	16	12	
1944	32	21	20	19	1994	15	15	11	
1945	32	20	19	18	1995	14	14	13	
1946	32	20	18	17	1996	14	13	13	
1947	31	20	17	16	1997				
1948	31	19	17	15	1998				
1949	32	20	17	15	1999				
1950	32	21	16	14	2000				
1951	33	21	16	13					
1952	32	22	16	13					
1953	31	22	17	13					
1954	30	22	18	12					
1955	30	22	19	12					
1956	30	22	19	13					
1957	34	21	19	14					
1958	34	21	18	14					
1959	33	21	19	15					
1960	33	21	18	15					

PENNSYLVANIA WATER & POWER COMPANY
DEPRECIATION RESERVE BALANCES AT END OF EACH YEAR
EXPRESSED IN NUMBER OF SUBSEQUENT YEARS
OF ESTIMATED RETIREMENT REQUIREMENTS
1911-2010

B-2



[24088]

Pennsylvania Water & Power Company
ESTIMATED RETIREMENTS OF ELECTRIC PLANT INVESTMENT
FOR MOVING FIVE AND TEN YEAR PERIODS
1911-2010

Estimated Retirements			
Five Year Period		Ten Year Period	
Years	Dollars	Years	Dollars
1911-1916	0	1961-1966	3,243,636
1912-1917	0	1962-1967	3,504,340
1913-1918	0	1963-1968	3,921,740
1914-1919	0	1964-1969	2,901,136
1915-1920	0	1965-1970	1,880,554
1916-1921	0	1966-1971	1,622,231
1917-1922	0	1967-1972	1,399,975
1918-1923	0	1968-1973	1,232,769
1919-1924	0	1969-1974	1,216,140
1920-1925	21	1970-1975	1,383,820
1921-1926	21	1971-1976	1,676,835
1922-1927	21	1972-1977	1,959,266
1923-1928	21	1973-1978	2,062,996
1924-1929	451	1974-1979	2,778,407
1925-1930	430	1975-1980	2,952,451
1926-1931	430	1976-1981	2,791,073
1927-1932	430	1977-1982	2,612,112
1928-1933	430	1978-1983	2,439,846
1929-1934	33	1979-1984	1,723,385
1930-1935	4,720	1980-1985	2,994,308
1931-1936	4,720	1981-1986	3,072,654
1932-1937	6,037	1982-1987	2,957,954
1933-1938	9,271	1983-1988	2,832,137
1934-1939	11,025	1984-1989	2,739,119
1935-1940	88,394	1985-1990	980,828
1936-1941	90,484	1986-1991	646,525
1937-1942	103,135	1987-1992	533,866
1938-1943	110,989	1988-1993	1,336,870
1939-1944	112,003	1989-1994	2,666,166
1940-1945	31,557	1990-1995	2,649,166
1941-1946	39,426	1991-1996	2,660,916
1942-1947	32,176	1992-1997	3,246,435
1943-1948	27,093	1993-1998	2,990,880
1944-1949	28,338	1994-1999	2,911,099
1945-1950	32,633	1995-2000	4,097,664
1946-1951	30,760	1996-2001	4,774,310
1947-1952	59,063	1997-2002	4,306,478
1948-1953	79,211	1998-2003	3,892,868
1949-1954	163,804	1999-2004	4,472,052
1950-1955	660,443	2000-2005	3,417,948
1951-1956	703,169	2001-2006	3,600,886
1952-1957	770,792	2002-2007	3,616,624
1953-1958	935,317	2003-2008	3,394,715
1954-1959	1,875,342	2004-2009	1,598,635
1955-1960	1,687,509	2005-2010	4,364,482
1956-1961	1,764,009		
1957-1962	1,917,574		
1958-1963	1,823,979		
1959-1964	1,966,821		
1960-1965	2,902,562		
1961-1966	0	1961-1971	4,865,867
1962-1967	0	1962-1972	4,904,315
1963-1968	0	1963-1973	5,154,509
1964-1969	0	1964-1974	4,117,276
1965-1970	21	1965-1975	3,284,374
1966-1971	21	1966-1976	3,299,066
1967-1972	21	1967-1977	3,359,241
1968-1973	21	1968-1978	3,295,765
1969-1974	451	1969-1979	3,994,547
1970-1975	451	1970-1980	4,336,271
1971-1976	451	1971-1981	4,467,908
1972-1977	451	1972-1982	4,571,378
1973-1978	451	1973-1983	4,502,842
1974-1979	484	1974-1984	4,501,792
1975-1980	5,150	1975-1985	5,946,759
1976-1981	5,150	1976-1986	5,863,727
1977-1982	6,467	1977-1987	5,570,086
1978-1983	9,701	1978-1988	5,271,983
1979-1984	11,058	1979-1989	4,462,504
1980-1985	93,114	1980-1990	3,975,136
1981-1986	95,204	1981-1991	3,719,179
1982-1987	109,172	1982-1992	3,491,840
1983-1988	120,260	1983-1993	4,169,007
1984-1989	123,028	1984-1994	5,405,285
1985-1990	119,951	1985-1995	3,629,994
1986-1991	129,910	1986-1996	8,307,441
1987-1992	135,311	1987-1997	3,780,301
1988-1993	138,082	1988-1998	4,327,750
1989-1994	140,341	1989-1999	5,577,265
1990-1995	64,190	1990-2000	6,746,830
1991-1996	70,186	1991-2001	7,435,226
1992-1997	91,239	1992-2002	7,552,913
1993-1998	106,304	1993-2003	6,883,748
1994-1999	192,142	1994-2004	7,383,151
1995-2000	693,076	1995-2005	7,515,582
1996-2001	733,929	1996-2006	8,375,196
1997-2002	829,855	1997-2007	7,923,102
1998-2003	1,014,528	1998-2008	7,287,583
1999-2004	2,039,146	1999-2009	6,070,687
2000-2005	2,347,952	2000-2010	7,782,400
1951-1961	2,467,178		
1952-1962	2,688,366		
1953-1963	2,759,296		
1954-1964	3,842,163		
1955-1965	4,590,071		
1956-1966	5,007,645		
1957-1967	5,421,914		
1958-1968	5,745,719		
1959-1969	4,867,957		
1960-1970	4,783,116		

[24089]

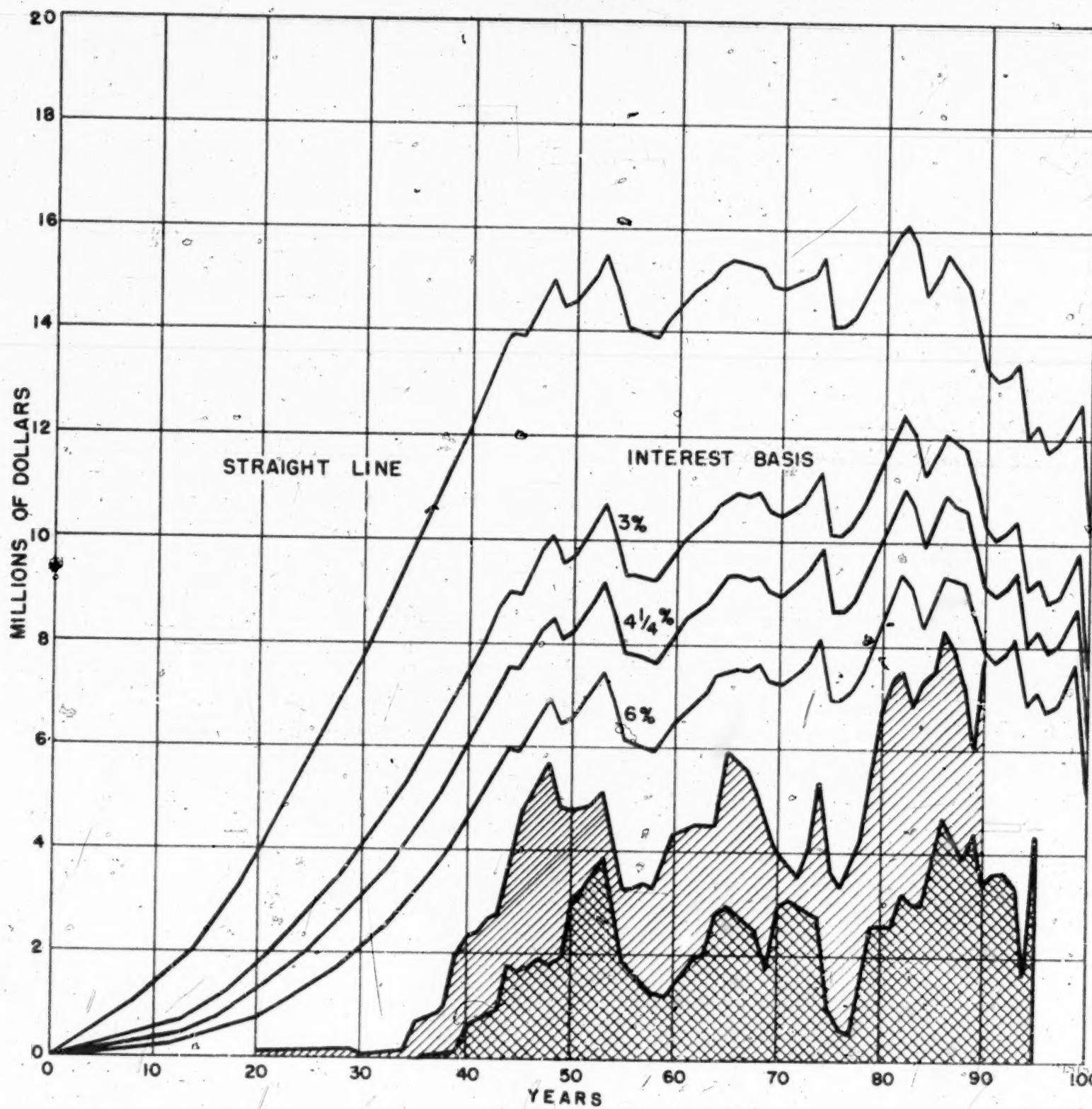
Exhibit No. 321

4084

79	26,718,502	14,467,143	54.2	9,781,073	36.6	8,208,656	30.7	6,477,164	24.2
60	26,718,502	14,465,007	54.1	9,781,073	36.6	8,208,656	30.7	6,477,164	24.2
61	26,718,502	14,720,296	55.1	10,053,535	37.6	8,476,073	31.7	6,731,455	25.2
62	26,718,502	14,890,991	55.7	10,249,577	38.4	8,670,261	32.5	6,916,409	25.9
63	26,718,502	15,009,066	56.2	10,398,880	38.9	8,820,082	33.0	7,059,841	26.4
64	26,718,502	15,340,145	57.4	10,765,666	40.3	9,189,274	34.4	7,424,882	27.8
65	26,718,502	15,407,947	57.7	10,880,179	40.7	9,310,880	34.8	7,548,549	28.3
66	26,718,502	15,370,221	57.5	10,892,599	40.8	9,332,126	34.9	7,574,108	28.3
67	26,718,502	15,258,485	57.1	10,831,382	40.5	9,280,265	34.7	7,527,190	28.2
68	26,718,502	15,272,830	57.2	10,894,409	40.8	9,352,281	35.0	7,603,538	28.5
69	26,718,502	14,888,498	55.7	10,560,650	39.5	9,028,681	33.8	7,285,790	27.3
70	26,718,502	14,782,256	55.3	10,494,969	39.3	8,969,418	33.6	7,227,067	27.0
71	26,718,502	14,905,908	55.8	10,657,211	39.9	9,137,530	34.2	7,394,715	27.7
72	26,718,502	14,973,133	56.0	10,767,893	40.3	9,256,360	34.6	7,515,995	28.1
73	26,718,502	15,159,744	56.7	11,001,282	41.2	9,499,626	35.6	7,763,938	29.1
74	26,718,502	15,491,873	58.0	11,387,190	42.6	9,898,749	37.0	8,172,275	30.6
75	26,718,502	14,114,708	52.8	10,075,382	37.7	8,605,541	32.2	6,895,819	25.8
76	26,718,502	14,160,014	53.0	10,146,690	38.0	8,679,842	32.5	6,965,246	26.1
77	26,718,502	14,341,939	53.7	10,356,757	38.8	8,893,920	33.3	7,175,458	26.9
78	26,718,502	14,654,367	54.8	10,703,629	40.1	9,247,600	34.6	7,528,785	28.2
79	26,718,502	15,079,514	56.4	11,173,626	41.8	9,729,030	36.4	8,016,031	30.0
80	26,718,502	15,460,640	57.9	11,613,702	43.5	10,186,900	38.1	8,488,491	31.8
81	26,718,502	15,840,249	59.3	12,065,463	45.2	10,662,712	39.9	8,987,781	33.6
82	26,718,502	16,134,813	60.4	12,445,732	46.6	11,073,701	41.4	9,431,984	35.3
83	26,718,502	15,644,257	58.6	12,052,289	45.1	10,717,037	40.1	9,117,719	34.1
84	26,718,502	14,740,108	55.2	11,233,450	42.0	9,931,622	37.2	8,371,005	31.3
85	26,718,502	15,138,234	56.7	11,692,321	43.8	10,415,102	39.0	8,821,763	33.2
86	26,718,502	15,506,093	58.0	12,134,691	45.4	10,888,863	40.8	9,392,900	35.2
87	26,718,502	15,215,138	56.9	11,931,518	44.7	10,723,945	40.1	9,275,891	34.7
88	26,718,502	14,980,137	56.1	11,778,204	44.1	10,607,972	39.7	9,207,815	34.5
89	26,718,502	14,155,769	53.0	11,030,923	41.3	9,897,703	37.0	8,546,288	32.0
90	26,718,502	13,367,330	50.0	10,297,153	38.5	9,193,176	34.4	7,880,998	29.5
91	26,718,502	13,058,543	48.9	10,021,022	37.5	8,938,359	33.5	7,655,443	28.7
92	26,718,502	13,235,420	49.5	10,222,271	38.3	9,158,376	34.3	7,902,019	29.6
93	26,718,502	13,414,029	50.2	10,431,209	39.0	9,389,476	35.1	8,165,121	30.6
94	26,718,502	12,010,477	45.0	9,064,417	33.9	8,048,237	30.1	6,861,848	25.7
95	26,718,502	12,276,172	45.9	9,325,786	34.9	8,319,242	31.1	7,149,626	26.8
96	26,718,502	11,784,417	44.1	8,837,546	33.1	7,844,315	29.4	6,697,221	25.1
97	26,718,502	11,945,556	44.7	8,987,552	33.6	8,002,097	29.9	6,870,565	25.7
98	26,718,502	12,346,074	46.2	9,381,438	35.1	8,405,964	31.5	7,293,689	27.3
99	26,718,502	12,738,602	47.7	9,779,150	36.6	8,819,005	33.0	7,734,210	28.9
100	26,718,502	10,238,450	38.1	7,296,111	27.3	6,356,921	23.8	5,308,483	19.9

PENNSYLVANIA WATER & POWER COMPANY
 RESERVE BALANCES ACCUMULATED ON THE STRAIGHT LINE AND ON THE
 INTEREST BASES AT 3, 4 $\frac{1}{4}$ AND 6 PERCENT, COMPARED WITH
 ESTIMATED RETIREMENTS OF ELECTRIC PLANT INVESTMENT
 FOR MOVING FIVE AND TEN YEAR PERIODS

1911-2010



ESTIMATED RETIREMENTS FOR MOVING: FIVE YEAR PERIOD ; TEN YEAR PERIOD

[24090]

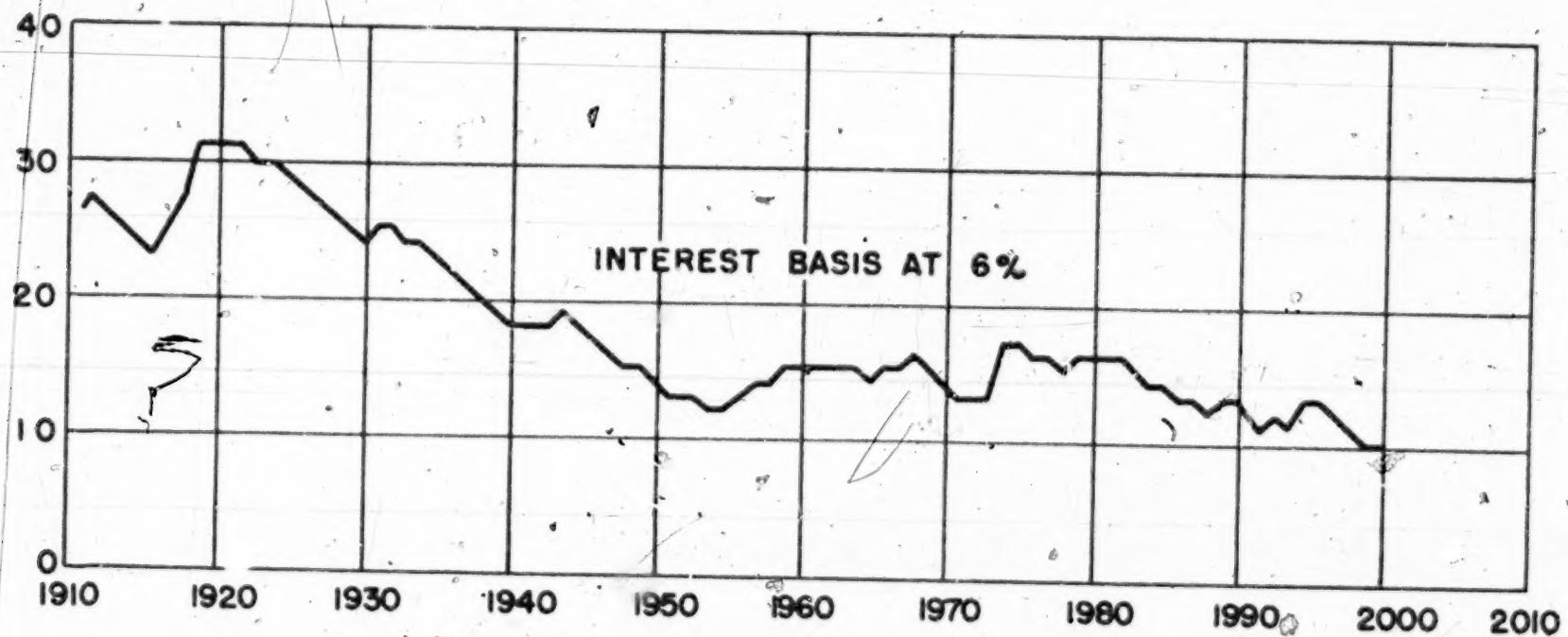
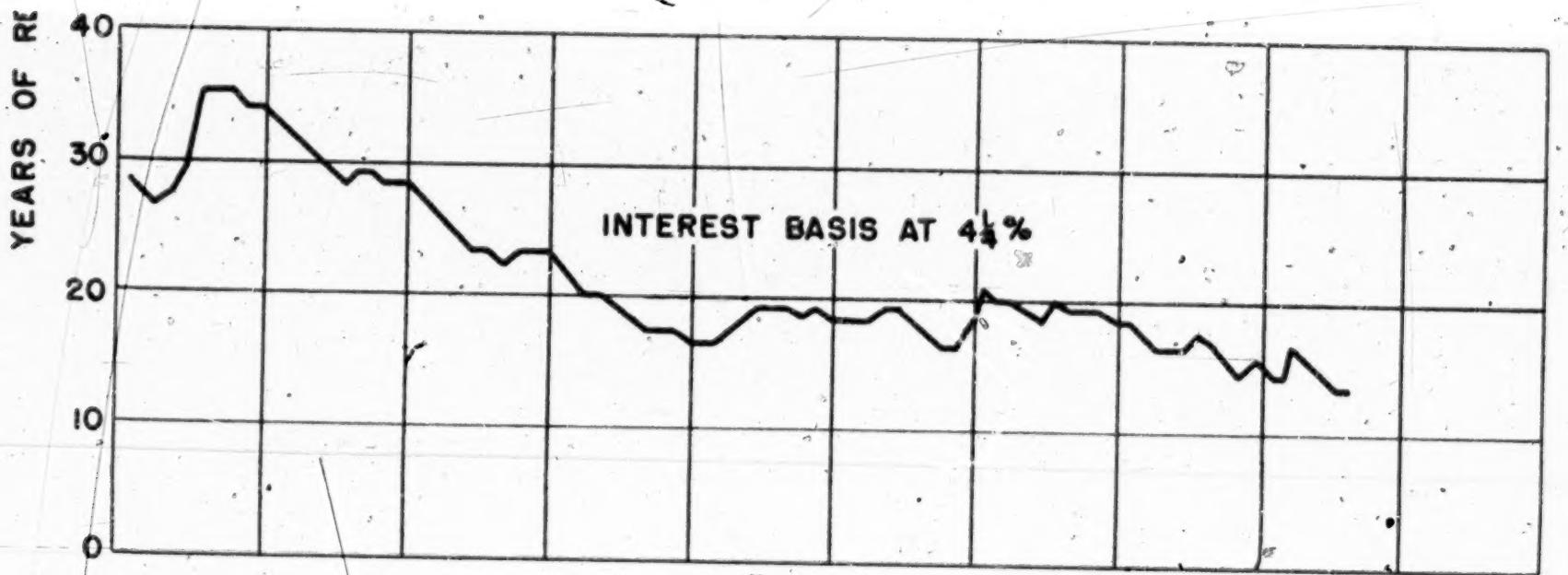
Exhibit No. 321

4085

[24088]

Exhibit No. 321

4083



Based On Total Plant Investment At Cost Plus \$620,000 Working Capital
and Retirements of Property at F. P. C. Life Estimates

1946-2010

Year	Total Investment	Rate of Base			
		Straight Line	3 Percent	4 Percent	5 Percent
1946	33,540,738	23,545,830	27,895,315	29,127,407	30,376,471
1947	33,540,738	23,090,437	27,546,818	28,821,187	30,120,850
1948	33,540,738	22,631,803	27,184,625	28,498,712	29,846,651
1949	33,540,738	22,172,456	26,810,854	28,161,819	29,555,287
1950	33,540,738	21,711,150	26,423,910	27,808,649	29,244,482
1951	33,540,738	21,251,703	26,027,217	27,442,328	28,916,888
1952	33,540,738	20,794,437	25,620,804	27,062,620	28,571,819
1953	33,540,738	20,364,106	25,229,134	26,693,709	28,232,981
1954	33,540,738	19,924,907	24,816,846	26,300,251	27,864,945
1955	33,540,738	19,548,194	24,454,675	25,925,557	27,537,312
1956	33,540,738	19,585,386	24,495,544	26,003,991	27,603,928
1957	33,540,738	19,170,846	24,085,907	25,605,879	27,222,805
1958	33,540,738	18,808,138	23,715,814	25,242,679	26,870,649
1959	33,540,738	18,533,464	23,422,651	24,952,077	26,585,398
1960	33,540,738	19,096,776	23,958,679	25,487,111	27,121,018
1961	33,540,733	18,946,135	23,796,835	25,330,931	26,974,822
1962	33,540,738	18,608,095	23,442,737	24,980,714	26,632,455
1963	33,540,738	18,398,952	23,206,913	24,744,510	26,398,443
1964	33,540,738	18,030,683	22,804,888	24,339,141	25,991,264
1965	33,540,738	18,736,837	23,465,225	24,990,967	26,634,078
1966	33,540,738	19,521,937	24,224,319	25,749,442	27,394,406
1967	33,540,738	19,524,971	24,224,119	25,758,086	27,418,288
1968	33,540,738	19,576,532	24,272,440	25,815,624	27,492,130
1969	33,540,738	19,625,663	24,319,781	25,873,178	27,567,973
1970	33,540,738	19,311,213	24,004,961	25,569,597	27,284,785
1971	33,540,738	19,075,731	23,795,665	25,332,082	27,063,574
1972	33,540,738	18,820,442	23,487,203	25,064,665	26,809,283
1973	33,540,738	18,649,747	23,291,161	24,870,477	26,624,329
1974	33,540,738	18,531,672	23,141,858	24,720,656	26,480,897
1975	33,540,738	18,200,593	22,775,072	24,351,464	26,115,856
1976	33,540,738	18,132,791	22,660,559	24,229,858	25,992,189
1977	33,540,738	18,170,517	22,648,139	24,208,612	25,966,630
1978	33,540,738	18,282,253	22,709,356	24,260,473	26,013,548
1979	33,540,738	18,267,908	22,646,329	24,188,457	25,937,200
1980	33,540,738	18,652,240	22,980,088	24,512,052	26,254,948
1981	33,540,738	18,758,482	23,045,769	24,571,320	26,313,671
1982	33,540,738	18,634,830	22,883,527	24,403,208	26,146,023
1983	33,540,738	18,567,605	22,772,845	24,284,378	26,024,743
1984	33,540,738	18,380,994	22,539,456	24,041,112	25,776,800
1985	33,540,738	18,048,865	22,153,548	23,641,989	25,368,463
1986	33,540,738	19,426,030	23,465,356	24,935,197	26,644,919
1987	33,540,738	19,380,724	23,394,048	24,860,896	26,575,492
1988	33,540,738	19,198,799	23,183,981	24,646,818	26,365,280
1989	33,540,738	18,886,371	22,837,109	24,293,138	26,011,953
1990	33,540,738	18,461,224	22,367,112	23,811,708	25,524,707
1991	33,540,738	18,080,098	21,927,036	23,353,838	25,052,247
1992	33,540,738	17,700,489	21,475,275	22,878,026	24,552,957
1993	33,540,738	17,405,925	21,095,006	22,467,037	24,108,754
1994	33,540,738	17,896,481	21,488,449	22,823,701	24,423,019
1995	33,540,738	18,800,630	22,307,288	23,609,116	25,169,733
1996	33,540,738	18,402,504	21,848,417	23,125,636	24,658,975
1997	33,540,738	18,034,645	21,406,049	22,651,875	24,147,838
1998	33,540,738	18,325,600	21,609,220	22,816,793	24,264,847
1999	33,540,738	18,560,601	21,762,534	22,932,766	24,332,923
2000	33,540,738	19,384,969	22,509,815	23,643,035	24,994,450
2001	33,540,738	20,173,408	23,243,585	24,347,562	25,659,740
2002	33,540,738	20,482,195	23,519,716	24,602,379	25,885,295
2003	33,540,738	20,305,318	23,318,467	24,382,362	25,638,719
2004	33,540,738	20,126,709	23,109,449	24,151,262	25,375,617
2005	33,540,738	21,530,260	24,476,321	25,492,501	26,678,890
2006	33,540,738	21,264,566	24,214,952	25,221,496	26,391,112
2007	33,540,738	21,756,321	24,703,192	25,696,423	26,843,517
2008	33,540,738	21,595,182	24,553,186	25,538,641	26,670,173
2009	33,540,738	21,194,664	24,159,300	25,134,774	26,247,049
2010	33,540,738	20,802,136	23,761,588	24,721,733	25,806,528

TOMMY TULLEN WATER & POWER COMPANY
 PERCENTAGE FLUCTUATIONS IN RATE BASE ON THE SINKING FUND BASIS COMPARED WITH
 PERCENTAGE FLUCTUATIONS IN RATE BASE ON THE STRAIGHT LINE AND ON
 THE COMPOUND INTEREST BASES AT 3, 4½ AND 6 PERCENT
 1946-2010

D-2

(Total Electric Plant Investment in 1946 equals 100 Percent)

Year	Annual Fluctuations in Rate Base				
	Sinking Fund Basis	Straight Line Basis	Compound Interest Basis at 3%	4½%	6%
1946	100.0	70.2	83.2	86.8	90.6
1947	100.0	68.8	82.1	85.9	89.8
1948	100.0	67.5	81.1	85.0	89.0
1949	100.0	66.1	79.9	84.0	88.1
1950	100.0	64.7	78.8	82.9	87.2
1951	100.0	63.4	77.6	81.8	86.2
1952	100.0	62.0	76.4	80.7	85.2
1953	100.0	60.7	75.2	79.6	84.2
1954	100.0	59.4	74.0	78.4	83.1
1955	100.0	58.3	72.9	77.3	82.1
1956	100.0	58.4	73.0	77.5	82.3
1957	100.0	57.2	71.8	76.3	81.2
1958	100.0	56.1	70.7	75.3	80.1
1959	100.0	55.3	69.8	74.4	79.3
1960	100.0	56.9	71.4	76.0	80.9
1961	100.0	56.5	71.0	75.5	80.4
1962	100.0	55.5	69.9	74.5	79.4
1963	100.0	54.9	69.2	73.8	78.7
1964	100.0	53.8	68.0	72.6	77.5
1965	100.0	55.9	70.0	74.5	79.4
1966	100.0	58.2	72.2	76.8	81.7
1967	100.0	58.2	72.2	76.8	81.8
1968	100.0	58.4	72.4	77.0	82.0
1969	100.0	58.5	72.5	77.1	82.2
1970	100.0	57.6	71.6	76.2	81.4
1971	100.0	56.9	71.0	75.5	80.7
1972	100.0	56.1	70.0	74.7	80.0
1973	100.0	55.6	69.4	74.2	79.4
1974	100.0	55.3	69.0	73.7	79.0
1975	100.0	54.3	67.9	72.6	77.9
1976	100.0	54.1	67.6	72.2	77.5
1977	100.0	54.2	67.5	72.2	77.4
1978	100.0	54.5	67.7	72.3	77.6
1979	100.0	54.5	67.5	72.1	77.3
1980	100.0	55.6	68.5	73.1	78.3
1981	100.0	55.9	68.7	73.3	78.5
1982	100.0	55.6	68.2	72.8	78.0
1983	100.0	55.4	67.9	72.4	77.6
1984	100.0	54.8	67.2	71.7	76.9
1985	100.0	53.8	66.1	70.5	75.6
1986	100.0	57.9	70.0	74.3	79.4
1987	100.0	57.8	69.8	74.1	79.2
1988	100.0	57.2	69.1	73.5	78.6
1989	100.0	56.3	68.1	72.4	77.6
1990	100.0	55.0	66.7	71.0	76.1
1991	100.0	53.9	65.4	69.6	74.7
1992	100.0	52.8	64.0	68.2	73.2
1993	100.0	51.9	62.9	67.0	71.9
1994	100.0	53.4	64.1	68.1	72.8
1995	100.0	56.1	66.5	70.4	75.0
1996	100.0	54.9	65.1	69.0	73.5
1997	100.0	53.8	63.8	67.5	72.0
1998	100.0	54.6	64.4	68.0	72.3
1999	100.0	55.3	64.9	68.4	72.6
2000	100.0	57.8	67.1	70.5	74.5
2001	100.0	60.2	69.3	72.6	76.5
2002	100.0	61.1	70.1	73.4	77.2
2003	100.0	60.5	69.5	72.7	76.4
2004	100.0	60.0	68.9	72.0	75.7
2005	100.0	64.2	73.0	76.0	79.5
2006	100.0	63.4	72.2	75.2	78.7
2007	100.0	64.9	73.7	76.6	80.0
2008	100.0	64.4	73.2	76.1	79.5
2009	100.0	63.2	72.0	74.9	78.3
2010	100.0	62.0	70.8	73.7	76.9

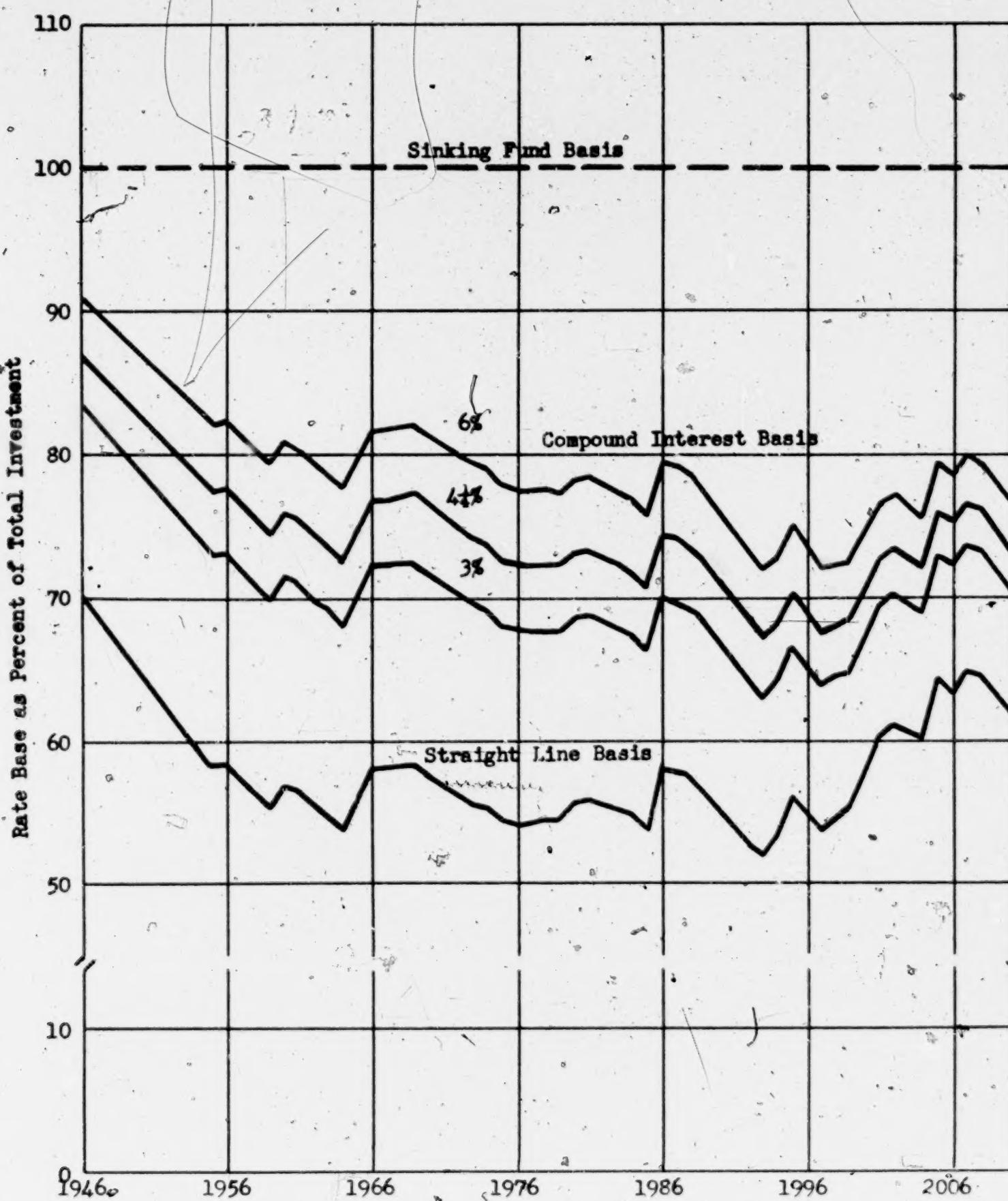
[24092]

Exhibit No. 321

4087

Pennsylvania Water & Power Company
 PERCENTAGE FLUCTUATIONS IN RATE BASE ON THE SINKING FUND BASIS COMPARED WITH
 PERCENTAGE FLUCTUATIONS IN RATE BASE ON THE STRAIGHT LINE AND ON
 THE COMPOUND INTEREST BASES AT 3, 4½ AND 6 PERCENT
 1946-2010

(Total Electric Plant Investment in 1946 equals 100 Percent)



[24993]

Exhibit No. 321

4088

Pennsylvania Water & Power Company
ANNUAL RATES OF RETURN ACTUALLY EARNABLE AND DEFICIENCY IN RETURN ON THE STRAIGHT LINE BASIS
 On Total Investment in Property at Cost Plus \$620,000 Working Capital
 For Every Tenth Year 1946-2005 and for the Year 2010

Assuming: (1) An intended 6½ percent fair rate of return;
 (2) Deduction of straight line accrued depreciation reserve balance;
 (3) Retirements of property at F. P. C. life estimates;
 (4) No income, two and three percent earnings on reserve investment.

Year	Total Investment in Rate Base	Accumulated Depreciation Reserve on Straight Line Basis	Investment less Depreciation Reserve	6½% Return on Investment less Reserve	Deficiency in Return	Actually Earnable Rate of Return and Deficiency in Return When the Income from Reserve Investment is:						
						0 Percent		2 Percent		3 Percent		
						Rate Earned	Deficiency (Percent)	Rate Earned	Deficiency (Percent)	Rate Earned	Deficiency (Percent)	
1946	\$33,540,738	\$ 9,994,908	\$23,545,830	\$2,180,148	\$1,530,479	\$649,669	4.56	1.94	5.16	1.34	5.45	1.05
1955	33,540,738	13,992,544	19,548,194	2,180,148	1,270,633	909,515	3.79	2.71	4.62	1.88	5.04	1.46
1965	33,540,738	14,803,901	18,736,837	2,180,148	1,217,894	962,254	3.63	2.87	4.51	1.99	4.95	1.55
1975	33,540,738	15,340,145	18,200,593	2,180,148	1,183,039	997,109	3.53	2.97	4.44	2.06	4.90	1.60
1985	33,540,738	15,491,873	18,048,865	2,180,148	1,173,176	1,006,972	3.50	3.00	4.42	2.08	4.89	1.61
1995	33,540,738	14,740,108	18,800,630	2,180,148	1,222,041	958,107	3.64	2.86	4.52	1.98	4.96	1.54
2005	33,540,738	12,010,477	21,530,261	2,180,148	1,399,467	780,681	4.17	2.33	4.89	1.61	5.24	1.26
2010	33,540,738	12,738,602	20,802,136	2,180,148	1,352,139	828,009	4.03	2.47	4.79	1.71	5.17	1.33

Pennsylvania Water & Power Company
AVERAGE CUMULATIVE RATES OF RETURN ACTUALLY EARNABLE AND DEFICIENCY IN RETURN ON THE STRAIGHT LINE BASIS
 On Total Investment in Property at Cost Plus \$620,000 Working Capital
 For Periods Ending with Selected Years 1946-2010

Assuming: (1) An intended 6½ percent fair rate of return;
 (2) Deduction of straight line accrued depreciation reserve balance;
 (3) Retirements of property at F. P. C. life estimates;
 (4) No income, two and three percent earnings on reserve investment.

Period	Average Investment in Rate Base	Average Accumulated Depreciation Reserve on Straight Line Basis	Average Investment less Depreciation Reserve	6½% Return on Investment less Reserve	Deficiency in Return	Actually Earnable Rate of Return and Deficiency in Return When the Income from Reserve Investment is:						
						0 Percent		2 Percent		3 Percent		
						Rate Earned	Deficiency (Percent)	Rate Earned	Deficiency (Percent)	Rate Earned	Deficiency (Percent)	
1946	\$33,540,738	\$ 9,994,908	\$23,545,830	\$2,180,148	\$1,530,479	\$649,669	4.56	1.94	5.16	1.34	5.45	1.05
1946-1951	33,540,738	11,140,175	22,400,563	2,180,148	1,456,037	724,111	4.34	2.16	5.00	1.50	5.34	1.16
1946-1955	33,540,738	12,037,236	21,503,502	2,180,148	1,397,728	782,420	4.17	2.33	4.89	1.61	5.25	1.25
1946-1959	33,540,738	12,745,534	20,795,204	2,180,148	1,351,688	828,460	4.03	2.47	4.79	1.71	5.17	1.33
1946-1964	33,540,738	13,315,817	20,224,921	2,180,148	1,314,620	865,528	3.92	2.58	4.71	1.79	5.11	1.39
1946-1969	33,540,738	13,490,761	20,049,977	2,180,148	1,303,249	876,899	3.89	2.61	4.69	1.81	5.10	1.40
1946-1974	33,540,738	13,692,868	19,847,870	2,180,148	1,290,112	890,036	3.85	2.65	4.67	1.83	5.07	1.43
1946-1979	33,540,738	13,933,611	19,607,127	2,180,148	1,274,463	905,685	3.80	2.70	4.63	1.87	5.05	1.45
1946-1984	33,540,738	14,062,880	19,477,858	2,180,148	1,266,061	914,087	3.77	2.73	4.61	1.89	5.03	1.47
1946-1989	33,540,738	14,118,528	19,422,210	2,180,148	1,262,444	917,704	3.76	2.74	4.60	1.90	5.02	1.48
1946-1993	33,540,738	14,241,384	19,296,354	2,180,148	1,254,263	925,885	3.74	2.76	4.59	1.91	5.02	1.48
1946-1998	33,540,738	14,339,337	19,201,601	2,180,148	1,248,104	932,044	3.72	2.78	4.58	1.92	5.00	1.50
1946-2004	33,540,738	14,274,331	19,266,407	2,180,148	1,252,316	927,832	3.73	2.77	4.58	1.92	5.01	1.49
1946-2010	33,540,738	14,081,335	19,459,403	2,180,148	1,264,861	915,287	3.77	2.73	4.61	1.89	5.03	1.47

Pennsylvania Water & Power Company
ANNUAL RATES OF RETURN ACTUALLY EARNABLE AND DEFICIENCY IN RETURN
ON THE COMPOUND INTEREST BASIS AT THREE, FOUR-AND-ONE-QUARTER AND SIX PERCENT
On Total Investment in Property at Cost Plus \$620,000 Working Capital
For Every Tenth Year 1946-2005 and for the Year 2010

Assuming: (1) An intended 6½ percent fair rate of return;
 (2) Deduction of compound interest accrued depreciation reserve balance;
 (3) Retirements of property at F. P. C. life estimates;
 (4) No income, two and three percent earnings on reserve investment.

Year	Total Investment in Rate Base	Accumulated Depreciation Reserve on Compound Interest Basis	Investment less Depreciation Reserve	6½% Return on Investment	Return on Investment less Reserve	Deficiency in Return	Actually Earnable Rate of Return and Deficiency in Return When the Income from Reserve Investment is:					
							0 Percent	1 Percent	2 Percent	3 Percent	Rate Earned	Deficiency (Percent)
<u>Compound Interest at Three Percent</u>												
1946	\$33,540,738	\$ 5,645,423	\$27,895,315	\$2,180,148	\$1,813,195	\$366,953	5.41	1.09	5.75	.75	5.91	.59
1955	33,540,738	9,086,063	24,454,675	2,180,148	1,589,554	590,594	4.74	1.76	5.28	1.22	5.55	.95
1965	33,540,738	10,075,513	23,465,225	2,180,148	1,525,240	654,908	4.55	1.95	5.15	1.35	5.45	1.05
1975	33,540,738	10,765,666	22,775,072	2,180,148	1,480,380	699,768	4.41	2.09	5.05	1.45	5.37	1.13
1985	33,540,738	11,387,190	22,153,548	2,180,148	1,439,981	740,167	4.29	2.21	4.97	1.53	5.31	1.19
1995	33,540,738	11,233,450	22,307,288	2,180,148	1,449,974	730,174	4.32	2.18	4.99	1.51	5.32	1.18
2005	33,540,738	9,064,417	24,476,321	2,180,148	1,590,961	589,187	4.74	1.76	5.28	1.22	5.55	.95
2010	33,540,738	9,779,150	23,761,588	2,180,148	1,544,503	635,645	4.60	1.90	5.18	1.32	5.48	1.02
<u>Compound Interest at Four-and-One-Quarter Percent</u>												
1946	33,540,738	4,413,331	29,127,407	2,180,148	1,893,281	286,867	5.64	.86	5.90	.60	6.04	.46
1955	33,540,738	7,588,181	25,952,557	2,180,148	1,686,916	493,232	5.03	1.47	5.48	1.02	5.71	.79
1965	33,540,738	8,549,111	24,990,967	2,180,148	1,624,413	555,735	4.84	1.66	5.35	1.15	5.61	.89
1975	33,540,738	9,189,274	24,351,464	2,180,148	1,582,845	597,303	4.72	1.78	5.27	1.23	5.54	.96
1985	33,540,738	9,398,749	23,641,989	2,180,148	1,536,729	643,419	4.58	1.92	5.17	1.33	5.47	1.03
1995	33,540,738	9,931,622	23,609,116	2,180,148	1,534,593	645,555	4.58	1.92	5.17	1.33	5.47	1.03
2005	33,540,738	8,048,237	25,492,501	2,180,148	1,657,013	523,135	4.94	1.56	5.42	1.08	5.66	.84
2010	33,540,738	8,819,005	24,721,733	2,180,148	1,606,913	573,235	4.79	1.71	5.32	1.18	5.58	.92
<u>Compound Interest at Six Percent</u>												
1946	33,540,738	3,164,267	30,376,471	2,180,148	1,974,471	205,677	5.89	.61	6.08	.42	6.17	.33
1955	33,540,738	6,003,426	27,537,312	2,180,148	1,789,925	190,223	5.34	1.16	5.70	.80	5.88	.62
1965	33,540,738	6,906,660	26,634,078	2,180,148	1,731,215	148,933	5.16	1.34	5.57	.93	5.78	.72
1975	33,540,738	7,424,882	26,115,856	2,180,148	1,697,531	482,617	5.06	1.44	5.50	1.00	5.72	.78
1985	33,540,738	8,172,275	25,368,463	2,180,148	1,648,950	531,198	4.92	1.58	5.41	1.09	5.65	.85
1995	33,540,738	8,371,005	25,169,733	2,180,148	1,636,033	544,115	4.88	1.62	5.38	1.12	5.63	.87
2005	33,540,738	6,861,848	26,678,890	2,180,148	1,734,128	446,020	5.17	1.33	5.58	.92	5.79	.71
2010	33,540,738	7,734,210	25,806,528	2,180,148	1,677,424	502,724	5.00	1.50	5.46	1.04	5.69	.81

Pennsylvania Water & Power Company
AVERAGE CUMULATIVE RATES OF RETURN ACTUALLY EARNABLE AND DEFICIENCY IN RETURN
ON THE COMPOUND INTEREST BASIS AT THREE, FOUR-AND-ONE-QUARTER AND SIX PERCENT
On Total Investment in Property at Cost Plus \$620,000 Working Capital
For Periods Ending with Selected Years 1946-2010

Assuming: (1) An intended 6½ percent fair rate of return;
 (2) Deduction of compound interest accrued depreciation reserve balance;
 (3) Retirements of property at F. P. C. life estimates;
 (4) No income, two and three percent earnings on reserve investment.

Period	Average Investment in Rate Basis	Average Accumulated Depreciation Reserve on Compound Interest Basis	Average Investment less Depreciation Reserve	6½ Return on Investment less Reserve	Deficiency in Return	Actually Earnable Rate of Return and Deficiency in Return When the Income from Reserve Investment is:						
						0 Percent		2 Percent		3 Percent		
						Rate Earned	Deficiency (Percent)	Rate Earned	Deficiency (Percent)	Rate Earned	Deficiency (Percent)	
<u>Compound Interest at Three Percent</u>												
1946	\$33,540,738	\$5,645,423	\$27,895,315	\$2,180,148	\$1,813,195	\$366,953	5.41	1.09	5.75	.75	5.91	.79
1946-1951	33,540,738	6,539,282	26,981,456	2,180,148	1,751,795	426,353	5.22	1.28	5.61	.89	5.81	.69
1946-1955	33,540,738	7,339,718	26,201,020	2,180,148	1,703,066	477,082	5.08	1.42	5.52	.98	5.74	.76
1946-1959	33,540,738	7,988,587	25,552,151	2,180,148	1,660,890	519,253	4.95	1.55	5.43	1.07	5.66	.84
1946-1964	33,540,738	8,543,887	24,996,851	2,180,148	1,624,795	555,353	4.84	1.66	5.35	1.15	5.61	.89
1946-1969	33,540,738	8,730,486	24,810,252	2,180,148	1,612,663	567,485	4.81	1.69	5.33	1.17	5.59	.92
1946-1974	33,540,738	8,950,017	24,590,721	2,180,148	1,598,397	581,751	4.77	1.73	5.30	1.20	5.57	.93
1946-1979	33,540,738	9,229,845	24,310,893	2,180,148	1,580,208	599,940	4.71	1.79	5.26	1.24	5.54	.96
1946-1984	33,540,738	9,417,865	24,122,873	2,180,148	1,567,987	612,161	4.67	1.83	5.23	1.27	5.51	.99
1946-1989	33,540,738	9,580,889	23,959,849	2,180,148	1,557,390	622,758	4.64	1.84	5.21	1.29	5.50	1.00
1946-1993	33,540,738	9,734,686	23,806,052	2,180,148	1,547,393	632,755	4.61	1.89	5.19	1.31	5.48	1.02
1946-1998	33,540,738	9,930,362	23,610,376	2,180,148	1,534,674	645,474	4.58	1.92	5.17	1.33	5.47	1.03
1946-2004	33,540,738	10,001,526	23,539,212	2,180,148	1,530,049	650,099	4.56	1.94	5.16	1.34	5.45	1.05
1946-2010	33,540,738	9,930,245	23,610,493	2,180,148	1,534,682	645,466	4.58	1.92	5.17	1.33	5.47	1.03
<u>Compound Interest at Four-and-One-Quarter Percent</u>												
1946	33,540,738	4,413,331	29,127,407	2,180,148	1,893,281	286,867	5.64	.86	5.90	.60	6.04	.46
1946-1951	33,540,738	5,230,721	28,310,017	2,180,148	1,840,151	339,997	5.49	1.01	5.80	.70	5.96	.54
1946-1955	33,540,738	5,953,814	27,586,924	2,180,148	1,793,150	386,998	5.35	1.15	5.71	.79	5.88	.62
1946-1959	33,540,738	6,564,033	26,916,705	2,180,148	1,753,486	426,662	5.23	1.27	5.62	.88	5.82	.68
1946-1964	33,540,738	7,090,408	26,450,330	2,180,148	1,719,271	460,877	5.13	1.37	5.55	.95	5.76	.74
1946-1969	33,540,738	7,259,756	26,280,982	2,180,148	1,708,264	471,884	5.09	1.41	5.52	.98	5.74	.76
1946-1974	33,540,738	7,461,392	26,079,346	2,180,148	1,695,157	484,991	5.05	1.45	5.49	1.01	5.72	.78
1946-1979	33,540,738	7,730,741	25,809,997	2,180,148	1,677,650	502,498	5.00	1.50	5.46	1.04	5.69	.81
1946-1984	33,540,738	7,916,327	25,624,411	2,180,148	1,665,587	514,561	4.97	1.53	5.44	1.06	5.68	.82
1946-1989	33,540,738	8,046,874	25,493,864	2,180,148	1,657,101	523,047	4.94	1.56	5.42	1.08	5.66	.84
1946-1993	33,540,738	8,244,058	25,296,680	2,180,148	1,644,284	535,864	4.90	1.60	5.39	1.11	5.64	.86
1946-1998	33,540,738	8,460,214	25,080,524	2,180,148	1,630,234	549,914	4.86	1.64	5.36	1.14	5.62	.88
1946-2004	33,540,738	8,569,092	24,971,646	2,180,148	1,623,157	556,991	4.84	1.66	5.35	1.15	5.60	.90
1946-2010	33,540,738	8,538,697	25,002,041	2,180,148	1,625,133	555,015	4.84	1.66	5.35	1.15	5.60	.90
<u>Compound Interest at Six Percent</u>												
1946	33,540,738	3,164,267	30,374,471	2,180,148	1,974,271	205,677	5.89	.61	6.08	.42	6.17	.33
1946-1951	33,540,738	3,863,965	29,676,773	2,180,148	1,928,990	251,158	5.75	.75	5.98	.52	6.10	.40
1946-1955	33,540,738	4,513,969	29,026,769	2,180,148	1,886,740	293,408	5.63	.87	5.90	.60	6.04	.46
1946-1959	33,540,738	5,072,848	28,487,890	2,180,148	1,850,413	329,735	5.52	.98	5.82	.68	5.97	.53
1946-1964	33,540,738	5,558,187	27,982,351	2,180,148	1,818,866	361,282	5.42	1.08	5.75	.75	5.92	.58
1946-1969	33,540,738	5,700,010	27,840,728	2,180,148	1,809,647	370,501	5.40	1.10	5.74	.76	5.91	.59
1946-1974	33,540,738	5,870,495	27,670,283	2,180,148	1,798,568	381,580	5.36	1.14	5.71	.79	5.89	.61
1946-1979	33,540,738	6,115,337	27,425,401	2,180,148	1,782,651	397,497	5.31	1.19	5.67	.83	5.86	.64
1946-1984	33,540,738	6,284,845	27,255,893	2,180,148	1,771,633	408,515	5.28	1.22	5.65	.85	5.84	.66
1946-1989	33,540,738	6,405,603	27,135,135	2,180,148	1,763,784	416,364	5.26	1.24	5.64	.86	5.83	.67
1946-1993	33,540,738	6,599,392	26,941,346	2,180,148	1,751,187	428,961	5.22	1.28	5.61	.89	5.81	.69
1946-1998	33,540,738	6,826,606	26,714,132	2,180,148	1,736,419	443,729	5.18	1.32	5.59	.91	5.79	.71
1946-2004	33,540,738	6,968,946	26,571,792	2,180,148	1,727,166	452,982	5.15	1.35	5.56	.94	5.77	.73
1946-2010	33,540,738	6,981,153	26,559,585	2,180,148	1,726,373	453,775	5.15	1.35	5.57	.93	5.77	.73

Pennsylvania Water & Power Company
 ANNUAL RATES OF RETURN ACTUALLY EARNABLE AND DEFICIENCY IN RETURN
 ON THE SINKING FUND BASIS AT THREE, FOUR-AND-ONE-QUARTER AND SIX PERCENT
 On Total Investment in Property at Cost Plus \$620,000 Working Capital
 For Every Tenth Year 1946-2005 and for the Year 2010

Assuming: (1) An intended 6 $\frac{1}{2}$ percent fair rate of return;
 (2) Income deduction of sinking fund interest component;
 (3) Retirements of property at F. P. C. life estimates;
 (4) No income, two and three percent earnings on reserve investment.

Year	Total Investment in Rate Base	Accumulated Sinking Fund Reserve	6 $\frac{1}{2}$ % Return on Investment	Interest Component - Annual Credit to Depreciation Reserve	Return after Deduction of Interest Component	Deficiency in Return	Actually Earmable Rate of Return and Deficiency in Return When the Income from Reserve Investment is:					
							0 Percent		2 Percent		3 Percent	
							Rate Earned	Deficiency (Percent)	Rate Earned	Deficiency (Percent)	Rate Earned	Deficiency (Percent)
<u>Sinking Fund at Three Percent</u>												
1946	\$33,540,738	\$5,645,423	\$2,180,148	\$169,363	\$2,010,785	\$169,363	6.00	.50	6.34	.16	6.50	0.00
1955	33,540,738	9,086,063	2,180,148	272,582	1,907,566	272,582	5.69	.81	6.23	.27	6.50	0.00
1965	33,540,738	10,075,513	2,180,148	302,265	1,877,883	302,265	5.60	.90	6.20	.30	6.50	0.00
1975	33,540,738	10,765,666	2,180,148	322,970	1,857,178	322,970	5.54	.96	6.18	.32	6.50	0.00
1985	33,540,738	11,387,190	2,180,148	341,616	1,838,532	341,616	5.48	1.02	6.16	.34	6.50	0.00
1995	33,540,738	11,233,450	2,180,148	337,004	1,843,144	337,004	5.49	1.01	6.16	.34	6.50	0.00
2005	33,540,738	9,064,417	2,180,148	271,933	1,908,215	271,933	5.69	.81	6.23	.27	6.50	0.00
2010	33,540,738	9,779,150	2,180,148	293,375	1,886,773	293,375	5.63	.87	6.21	.29	6.50	0.00
<u>Sinking Fund at Four-and-One-Quarter Percent</u>												
1946	33,540,738	4,413,331	2,180,148	187,567	1,992,581	187,567	5.94	.56	6.20	.30	6.34	.16
1955	33,540,738	7,588,181	2,180,148	322,498	1,857,650	322,498	5.54	.96	5.99	.51	6.22	.28
1965	33,540,738	8,549,771	2,180,148	363,365	1,816,783	363,365	5.42	1.08	5.93	.57	6.18	.32
1975	33,540,738	9,189,274	2,180,148	390,544	1,789,604	390,544	5.33	1.17	5.88	.62	6.15	.35
1985	33,540,738	9,898,749	2,180,148	420,697	1,759,451	420,697	5.24	1.26	5.83	.67	6.13	.37
1995	33,540,738	9,931,622	2,180,148	422,094	1,758,054	422,094	5.24	1.26	5.83	.67	6.13	.37
2005	33,540,738	8,048,237	2,180,148	342,050	1,838,098	342,050	5.48	1.02	5.96	.54	6.20	.30
2010	33,540,738	8,819,005	2,180,148	374,808	1,805,340	374,808	5.38	1.12	5.91	.59	6.17	.33
<u>Sinking Fund at Six Percent</u>												
1946	33,540,738	3,168,267	2,180,148	189,856	1,990,292	189,856	5.93	.57	6.12	.38	6.21	.29
1955	33,540,738	6,003,426	2,180,148	360,206	1,819,942	360,206	5.43	1.07	5.79	.71	5.97	.53
1965	33,540,738	6,906,660	2,180,148	414,400	1,765,748	414,400	5.26	1.24	5.67	.83	5.88	.62
1975	33,540,738	7,424,882	2,180,148	445,493	1,734,655	445,493	5.17	1.33	5.61	.89	5.83	.67
1985	33,540,738	8,172,275	2,180,148	490,337	1,689,811	490,337	5.04	1.46	5.53	.97	5.77	.73
1995	33,540,738	8,371,005	2,180,148	502,260	1,677,888	502,260	5.00	1.50	5.50	1.00	5.75	.75
2005	33,540,738	6,861,848	2,180,148	411,711	1,768,437	411,711	5.27	1.23	5.68	.82	5.89	.61
2010	33,540,738	7,734,210	2,180,148	464,053	1,716,095	464,053	5.12	1.38	5.58	.92	5.81	.69

Pennsylvania Water & Power Company
 AVERAGE CUMULATIVE RATES OF RETURN ACTUALLY EARNABLE AND DEFICIENCY IN RETURN
 ON THE SINKING FUND BASIS AT THREE, FOUR-AND-ONE-QUARTER AND SIX PERCENT
 On Total Investment in Property at Cost Plus \$620,000 Working Capital
 For Periods Ending with Selected Years 1946-2010

Assuming: (1) An intended 6½ percent fair rate of return;
 (2) Income deduction of sinking fund interest component;
 (3) Retirement of property at F. P. C. life estimates;
 (4) No income, two and three percent earnings on reserve investment.

Period	Average Investment in Rate Base	Average Accumulated Sinking Fund Reserve	6½% Return on Investment	Interest Component - Annual Credit to Depreciation Reserve	Return after Deduction of Interest Component	Deficiency in Return	Actually Earnable Rate of Return and Deficiency in Return When the Income from Reserve Investment is:					
							0 Percent		2 Percent		3 Percent	
							Rate Earned	Deficiency (Percent)	Rate Earned	Deficiency (Percent)	Rate Earned	Deficiency (Percent)
<u>Sinking Fund at Three Percent</u>												
1946	\$33,540,738	\$5,645,423	\$2,180,148	\$169,363	\$2,010,785	\$169,363	6.00	.50	6.34	.16	6.50	0.00
1946-1951	33,540,738	6,559,282	2,180,148	196,778	1,983,370	196,778	5.91	.59	6.30	.20	6.50	0.00
1946-1955	33,540,738	7,339,718	2,180,148	220,192	1,959,956	220,192	5.84	.66	6.28	.22	6.50	0.00
1946-1959	33,540,738	7,988,587	2,180,148	239,658	1,940,490	239,658	5.79	.71	6.27	.23	6.50	0.00
1946-1964	33,540,738	8,543,887	2,180,148	256,317	1,923,831	256,317	5.74	.76	6.25	.25	6.50	0.00
1946-1969	33,540,738	8,730,486	2,180,148	261,915	1,918,233	261,915	5.72	.78	6.24	.26	6.50	0.00
1946-1974	33,540,738	8,950,017	2,180,148	268,501	1,911,647	268,501	5.70	.80	6.23	.27	6.50	0.00
1946-1979	33,540,738	9,229,845	2,180,148	276,895	1,903,253	276,895	5.67	.83	6.22	.28	6.50	0.00
1946-1984	33,540,738	9,417,865	2,180,148	282,536	1,897,612	282,536	5.66	.84	6.22	.28	6.50	0.00
1946-1989	33,540,738	9,580,889	2,180,148	287,427	1,892,721	287,427	5.64	.86	6.21	.29	6.50	0.00
1946-1993	33,540,738	9,734,686	2,180,148	292,041	1,888,107	292,041	5.63	.87	6.21	.29	6.50	0.00
1946-1998	33,540,738	9,930,362	2,180,148	297,911	1,882,237	297,911	5.61	.89	6.20	.30	6.50	0.00
1946-2004	33,540,738	10,001,526	2,180,148	300,046	1,880,102	300,046	5.61	.89	6.20	.30	6.50	0.00
1946-2010	33,540,738	9,930,245	2,180,148	297,907	1,882,241	297,907	5.61	.89	6.20	.30	6.50	0.00
<u>Sinking Fund at Four-and-One-Quarter Percent</u>												
1946	33,540,738	4,413,331	2,180,148	187,567	1,992,581	187,567	5.94	.56	6.20	.30	6.34	.16
1946-1951	33,540,738	5,230,721	2,180,148	222,306	1,957,842	222,306	5.84	.66	6.15	.35	6.31	.19
1946-1955	33,540,738	5,953,814	2,180,148	253,037	1,927,111	253,037	5.75	.75	6.11	.39	6.28	.22
1946-1959	33,540,738	6,564,033	2,180,148	278,971	1,901,177	278,971	5.67	.83	6.06	.44	6.26	.24
1946-1964	33,540,738	7,090,408	2,180,148	301,342	1,878,806	301,342	5.60	.90	6.02	.48	6.23	.27
1946-1969	33,540,738	7,259,756	2,180,148	308,540	1,871,608	308,540	5.58	.92	6.01	.49	6.23	.27
1946-1974	33,540,738	7,461,392	2,180,148	317,109	1,863,039	317,109	5.55	.95	6.00	.50	6.22	.28
1946-1979	33,540,738	7,730,741	2,180,148	328,556	1,851,592	328,556	5.52	.98	5.98	.52	6.21	.29
1946-1984	33,540,738	7,916,327	2,180,148	336,444	1,843,704	336,444	5.50	1.00	5.97	.53	6.21	.29
1946-1989	33,540,738	8,046,874	2,180,148	341,992	1,838,156	341,992	5.48	1.02	5.96	.54	6.20	.30
1946-1993	33,540,738	8,244,058	2,180,148	350,372	1,829,776	350,372	5.46	1.04	5.95	.55	6.20	.30
1946-1998	33,540,738	8,460,214	2,180,148	359,559	1,820,589	359,559	5.43	1.07	5.93	.57	6.19	.31
1946-2004	33,540,738	8,569,092	2,180,148	364,186	1,815,962	364,186	5.41	1.09	5.92	.58	6.18	.32
1946-2010	33,540,738	8,538,697	2,180,148	362,895	1,817,253	362,895	5.42	1.08	5.93	.57	6.19	.31
<u>Sinking Fund at Six Percent</u>												
1946	33,540,738	3,164,267	2,180,148	189,856	1,990,292	189,856	5.93	.57	6.12	.38	6.21	.29
1946-1951	33,540,738	3,863,965	2,180,148	231,838	1,948,310	231,838	5.81	.69	6.04	.46	6.16	.34
1946-1955	33,540,738	4,513,969	2,180,148	270,838	1,909,310	270,838	5.69	.81	5.96	.54	6.10	.40
1946-1959	33,540,738	5,072,848	2,180,148	304,371	1,875,777	304,371	5.59	.91	5.89	.61	6.04	.46
1946-1964	33,540,738	5,558,187	2,180,148	333,491	1,846,657	333,491	5.51	.99	5.84	.66	6.01	.49
1946-1969	33,540,738	5,700,010	2,180,148	342,001	1,838,147	342,001	5.48	1.02	5.82	.68	5.99	.51
1946-1974	33,540,738	5,870,455	2,180,148	352,227	1,827,921	352,227	5.45	1.05	5.80	.70	5.98	.52
1946-1979	33,540,738	6,115,337	2,180,148	366,920	1,813,228	366,920	5.41	1.09	5.77	.73	5.96	.54
1946-1984	33,540,738	6,284,845	2,180,148	377,091	1,803,057	377,091	5.38	1.12	5.75	.75	5.94	.56
1946-1989	33,540,738	6,405,603	2,180,148	384,336	1,795,812	384,336	5.35	1.15	5.73	.77	5.92	.58
1946-1993	33,540,738	6,599,392	2,180,148	395,964	1,784,184	395,964	5.32	1.18	5.71	.79	5.91	.59
1946-1998	33,540,738	6,826,606	2,180,148	409,596	1,770,552	409,596	5.28	1.22	5.69	.81	5.89	.61
1946-2004	33,540,738	6,968,946	2,180,148	418,137	1,762,011	418,137	5.25	1.25	5.67	.83	5.87	.63
1946-2010	33,540,738	6,981,153	2,180,148	418,369	1,761,279	418,369	5.25	1.25	5.67	.83	5.87	.63

Pennsylvania Water & Power Company
 AVERAGE CUMULATIVE RATES OF RETURN ACTUALLY EARNABLE AND DEFICIENCY IN RETURN UNDER ALTERNATIVE METHODS OF DEPRECIATION RESERVE ACCRUAL
 On Total Investment in Property at Cost Plus \$620,000 Working Capital
 For Periods Ending with Selected Years 1946-2010

Assuming: (1) An intended 6½ percent fair rate of return;
 (2) Deduction of straight line and compound interest accrued depreciation reserve balances;
 and income deduction of sinking fund interest component;
 (3) Retirements of property at F. P. C. life estimates;
 (4) No income, two and three percent earnings on reserve investment.

Period	Actually Earnable Rate of Return and Deficiency in Return with:											
	No Income from Reserve Investment				Two Percent Earned on Reserve Investment				Three Percent Earned on Reserve Investment			
	Straight Line Rate Earned	Compound Interest Rate Earned	Sinking Fund Rate Earned	Deficiency (Percent)	Straight Line Rate Earned	Compound Interest Rate Earned	Sinking Fund Rate Earned	Deficiency (Percent)	Straight Line Rate Earned	Compound Interest Rate Earned	Sinking Fund Rate Earned	Deficiency (Percent)
<u>Sinking Fund and Compound Interest at Three Percent</u>												
1946	4.56	1.94	5.21	1.09	6.06	.50	5.16	1.34	5.75	.75	6.34	.16
1946-1951	4.34	2.16	5.22	1.28	5.91	.59	5.00	1.50	5.61	.89	6.30	.20
1946-1955	4.17	2.33	5.08	1.42	5.84	.66	4.89	1.61	5.52	.98	6.28	.22
1946-1959	4.03	2.47	4.95	1.55	5.79	.71	4.79	1.71	5.48	1.07	6.27	.23
1946-1964	3.92	2.58	4.84	1.66	5.74	.76	4.71	1.79	5.35	1.15	6.25	.25
1946-1969	3.89	2.61	4.81	1.69	5.72	.78	4.69	1.81	5.33	1.17	6.24	.26
1946-1974	3.85	2.65	4.77	1.73	5.70	.80	4.67	1.83	5.30	1.20	6.23	.27
1946-1979	3.80	2.70	4.71	1.79	5.67	.83	4.63	1.87	5.26	1.24	6.22	.28
1946-1984	3.77	2.73	4.67	1.83	5.66	.84	4.61	1.89	5.23	1.27	6.22	.28
1946-1989	3.76	2.74	4.64	1.86	5.64	.86	4.60	1.90	5.21	1.29	6.21	.29
1946-1993	3.74	2.76	4.61	1.89	5.63	.87	4.59	1.91	5.19	1.31	6.21	.29
1946-1998	3.72	2.78	4.58	1.92	5.61	.89	4.58	1.92	5.17	1.33	6.20	.30
1946-2004	3.73	2.77	4.56	1.94	5.61	.89	4.58	1.92	5.16	1.34	6.20	.30
1946-2010	3.77	2.73	4.58	1.92	5.61	.89	4.61	1.89	5.17	1.33	6.20	.30
<u>Sinking Fund and Compound Interest at Four-and-One-Quarter Percent</u>												
1946	4.56	1.94	5.64	.86	5.94	.56	5.16	1.34	5.90	.60	6.20	.30
1946-1951	4.34	2.16	5.49	1.01	5.84	.66	5.00	1.50	5.80	.70	6.15	.35
1946-1955	4.17	2.33	5.35	1.15	5.75	.75	4.89	1.61	5.71	.79	6.11	.39
1946-1959	4.03	2.47	5.23	1.27	5.67	.83	4.79	1.71	5.62	.88	6.06	.44
1946-1964	3.92	2.58	5.13	1.37	5.60	.90	4.71	1.79	5.55	.95	6.02	.48
1946-1969	3.89	2.61	5.09	1.41	5.58	.92	4.69	1.81	5.52	.98	6.01	.49
1946-1974	3.85	2.65	5.05	1.45	5.55	.95	4.67	1.83	5.49	1.01	6.00	.50
1946-1979	3.80	2.70	5.00	1.50	5.52	.98	4.63	1.87	5.46	1.04	5.98	.52
1946-1984	3.77	2.73	4.97	1.53	5.50	1.00	4.61	1.89	5.44	1.06	5.97	.53
1946-1989	3.76	2.74	4.94	1.56	5.48	1.02	4.60	1.90	5.42	1.08	5.96	.54
1946-1993	3.74	2.76	4.90	1.60	5.46	1.04	4.59	1.91	5.39	1.11	5.95	.55
1946-1998	3.72	2.78	4.86	1.64	5.43	1.07	4.58	1.92	5.36	1.14	5.93	.57
1946-2004	3.73	2.77	4.84	1.66	5.41	1.09	4.58	1.92	5.35	1.15	5.92	.58
1946-2010	3.77	2.73	4.84	1.66	5.42	1.08	4.61	1.89	5.35	1.15	5.93	.57
<u>Sinking Fund and Compound Interest at Six Percent</u>												
1946	4.56	1.94	5.89	.61	5.93	.57	5.16	1.34	6.08	.42	6.12	.38
1946-1952	4.34	2.16	5.75	.75	5.81	.69	5.00	1.50	5.98	.52	6.04	.46
1946-1955	4.17	2.33	5.63	.87	5.69	.81	4.89	1.61	5.90	.60	5.96	.54
1946-1959	4.03	2.47	5.52	.98	5.59	.92	4.79	1.71	5.82	.68	5.89	.62
1946-1964	3.92	2.58	5.42	1.08	5.51	.99	4.71	1.79	5.75	.75	5.84	.64
1946-1969	3.89	2.61	5.40	1.10	5.48	1.02	4.69	1.81	5.74	.76	5.82	.66
1946-1974	3.85	2.65	5.36	1.14	5.45	1.05	4.67	1.83	5.71	.79	5.80	.68
1946-1979	3.80	2.70	5.31	1.19	5.41	1.09	4.63	1.87	5.67	.83	5.77	.73
1946-1984	3.77	2.73	5.28	1.22	5.38	1.12	4.61	1.89	5.65	.85	5.75	.75
1946-1989	3.76	2.74	5.26	1.24	5.35	1.15	4.60	1.90	5.64	.86	5.73	.77
1946-1993	3.74	2.76	5.22	1.28	5.32	1.18	4.59	1.91	5.61	.89	5.71	.79
1946-1998	3.72	2.78	5.18	1.32	5.28	1.22	4.58	1.92	5.59	.91	5.69	.81
1946-2004	3.73	2.77	5.15	1.35	5.25	1.25	4.58	1.92	5.56	.94	5.67	.83
1946-2010	3.77	2.73	5.15	1.35	5.25	1.25	4.61	1.89	5.57	.93	5.67	.83

Pennsylvania Water & Power Company:
 ANNUAL RATES OF RETURN ACTUALLY EARNABLE UNDER ALTERNATIVE METHODS OF DEPRECIATION RESERVE ACCRUAL
 On Total Investment in Property at Cost Plus \$620,000 Working Capital

ON THE STRAIGHT LINE BASIS, AND ON THE COMPOUND INTEREST AND SINKING FUND BASES AT THREE PERCENT
 1946 - 2010

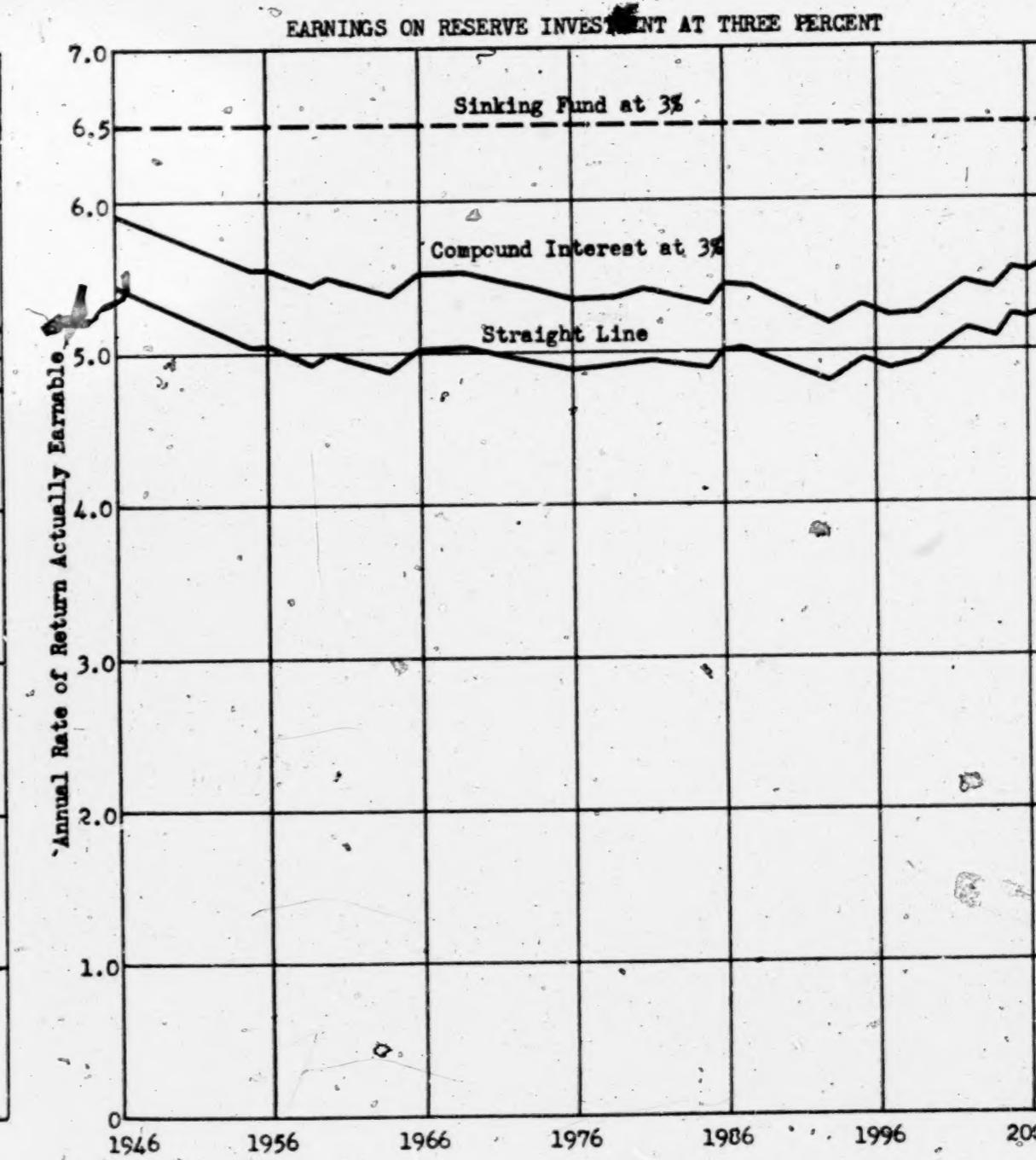
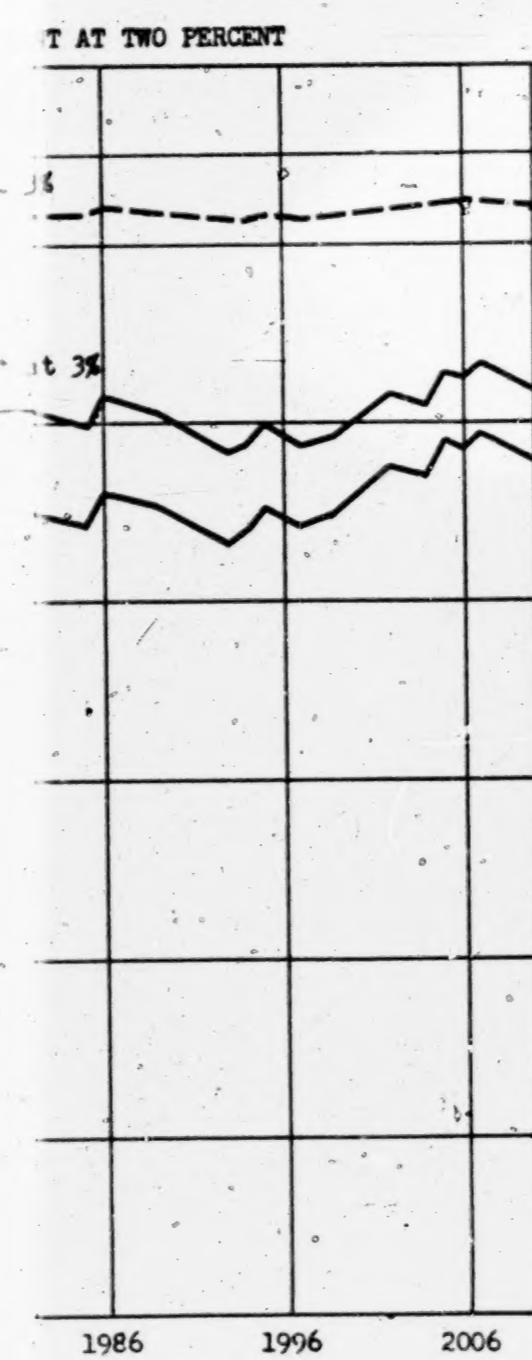
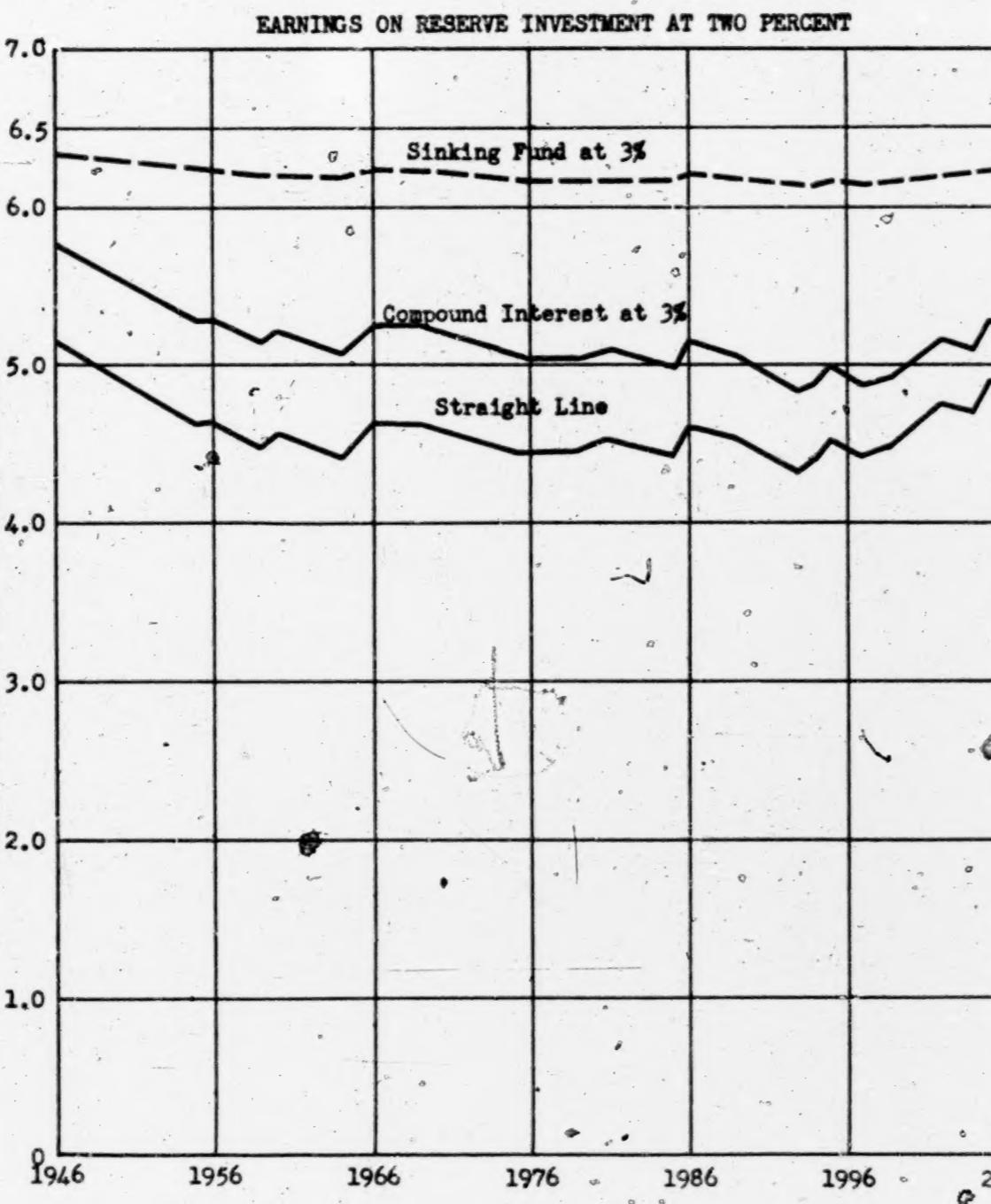
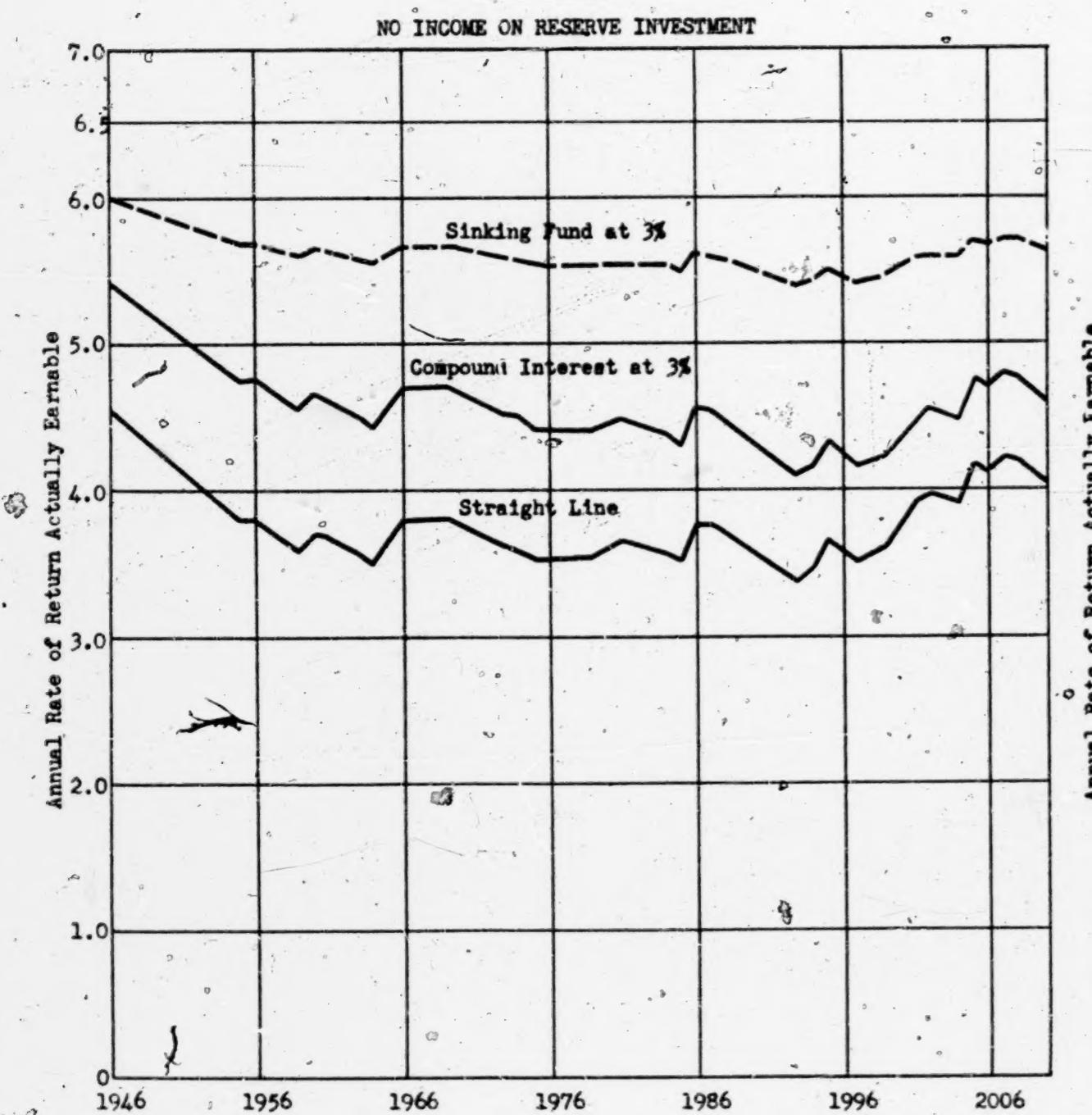
Assuming: (1) An intended 6½ percent fair rate of return;
 (2) Deduction of straight line and compound interest accrued depreciation reserve balances and income deduction of sinking fund interest component;
 (3) Retirements of property at F. P. C. life estimates;
 (4) No income, two and three percent earnings on reserve investment.

Year	% Income from Reserve Investment			% Earned on Reserve Investment			% Earned on Reserve Investment		
	Straight Line	Compound Interest	Sinking Fund	Straight Line	Compound Interest	Sinking Fund	Straight Line	Compound Interest	Sinking Fund
1946	4.56	5.41	6.00	5.16	5.75	6.34	5.45	5.91	6.50
1947	4.47	5.34	5.96	5.09	5.70	6.32	5.41	5.88	6.50
1948	4.39	5.27	5.93	5.04	5.65	6.31	5.37	5.84	6.50
1949	4.30	5.20	5.90	4.98	5.60	6.30	5.32	5.80	6.50
1950	4.21	5.12	5.86	4.92	5.54	6.28	5.27	5.76	6.50
1951	4.12	5.04	5.83	4.85	5.49	6.28	5.22	5.71	6.50
1952	4.03	4.97	5.79	4.79	5.44	6.26	5.17	5.68	6.50
1953	3.95	4.89	5.76	4.74	5.39	6.26	5.13	5.63	6.50
1954	3.86	4.81	5.72	4.67	5.33	6.24	5.08	5.59	6.50
1955	3.79	4.74	5.69	4.62	5.28	6.23	5.04	5.55	6.50
1956	3.80	4.75	5.69	4.63	5.29	6.23	5.05	5.56	6.50
1957	3.72	4.67	5.65	4.58	5.23	6.21	5.00	5.52	6.50
1958	3.64	4.60	5.62	4.52	5.19	6.21	4.96	5.48	6.50
1959	3.59	4.54	5.59	4.48	5.14	6.19	4.93	5.45	6.50
1960	3.70	4.64	5.64	4.56	5.21	6.21	4.99	5.50	6.50
1961	3.67	4.61	5.63	4.54	5.19	6.21	4.98	5.48	6.50
1962	3.61	4.54	5.60	4.50	5.14	6.20	4.95	5.44	6.50
1963	3.57	4.50	5.58	4.47	5.12	6.20	4.92	5.42	6.50
1964	3.49	4.42	5.54	4.41	5.06	6.18	4.88	5.38	6.50
1965	3.63	4.55	5.60	4.51	5.15	6.20	4.95	5.45	6.50
1966	3.78	4.69	5.67	4.62	5.25	6.23	5.03	5.52	6.50
1967	3.78	4.69	5.67	4.62	5.25	6.23	5.03	5.52	6.50
1968	3.79	4.70	5.67	4.62	5.25	6.22	5.04	5.53	6.50
1969	3.80	4.71	5.67	4.63	5.26	6.22	5.05	5.54	6.50
1970	3.74	4.65	5.65	4.59	5.22	6.22	5.01	5.50	6.50
1971	3.70	4.60	5.62	4.56	5.18	6.20	4.99	5.48	6.50
1972	3.65	4.55	5.60	4.53	5.15	6.20	4.97	5.45	6.50
1973	3.61	4.51	5.58	4.50	5.12	6.19	4.94	5.43	6.50
1974	3.59	4.49	5.57	4.48	5.11	6.19	4.93	5.42	6.50
1975	3.53	4.41	5.54	4.44	5.05	6.18	4.90	5.37	6.50
1976	3.51	4.39	5.53	4.43	5.04	6.18	4.89	5.36	6.50
1977	3.52	4.39	5.53	4.44	5.04	6.18	4.89	5.37	6.50
1978	3.54	4.40	5.53	4.45	5.05	6.18	4.91	5.39	6.50
1979	3.54	4.39	5.53	4.45	5.04	6.18	4.91	5.37	6.50
1980	3.61	4.45	5.55	4.50	5.08	6.18	4.94	5.40	6.50
1981	3.64	4.47	5.56	4.52	5.10	6.19	4.96	5.41	6.50
1982	3.61	4.43	5.55	4.50	5.07	6.19	4.95	5.38	6.50
1983	3.60	4.41	5.54	4.49	5.05	6.18	4.94	5.37	6.50
1984	3.56	4.37	5.52	4.46	5.03	6.18	4.92	5.35	6.50
1985	3.50	4.29	5.48	4.42	4.97	6.16	4.89	5.31	6.50
1986	3.76	4.55	5.60	4.60	5.15	6.20	5.02	5.45	6.50
1987	3.76	4.53	5.59	4.60	5.14	6.20	5.03	5.44	6.50
1988	3.72	4.49	5.57	4.58	5.11	6.19	5.00	5.42	6.50
1989	3.66	4.43	5.54	4.53	5.07	6.18	4.97	5.39	6.50
1990	3.58	4.33	5.50	4.48	5.00	6.17	4.93	5.33	6.50
1991	3.50	4.25	5.46	4.42	4.94	6.15	4.88	5.29	6.50
1992	3.43	4.16	5.42	4.37	4.88	6.14	4.85	5.24	6.50
1993	3.37	4.09	5.39	4.33	4.83	6.13	4.81	5.20	6.50
1994	3.47	4.16	5.42	4.40	4.88	6.14	4.87	5.24	6.50
1995	3.64	4.32	5.49	4.52	4.99	6.16	4.96	5.32	6.50
1996	3.57	4.23	5.45	4.47	4.93	6.15	4.92	5.28	6.50
1997	3.50	4.15	5.41	4.42	4.87	6.13	4.89	5.24	6.50
1998	3.55	4.19	5.43	4.46	4.90	6.14	4.91	5.26	6.50
1999	3.60	4.22	5.45	4.49	4.92	6.15	4.94	5.27	6.50
2000	3.76	4.36	5.51	4.60	5.02	6.17	5.03	5.35	6.50
2001	3.91	4.50	5.58	4.71	5.11	6.19	5.11	5.42	6.50
2002	3.97	4.56	5.60	4.75	5.16	6.20	5.14	5.46	6.50
2003	3.94	4.52	5.58	4.73	5.10	6.19	5.13	5.44	6.50
2004	3.90	4.48	5.57	4.70	5.10	6.19	5.10	5.41	6.50
2005	4.17	4.74	5.69	4.89	5.28	6.23	5.24	5.55	6.50
2006	4.12	4.69	5.67	4.85	5.25	6.23	5.22	5.52	6.50
2007	4.22	4.79	5.71	4.92	5.32	6.24	5.27	5.58	6.50
2008	4.19	4.76	5.70	4.90	5.30	6.24	5.26	5.56	6.50
2009	4.11	4.68	5.66	4.85	5.24	6.22	5.21	5.52	6.50
2010	4.03	4.60	5.63	4.79	5.18	6.21	5.17	5.48	6.50

[24100] Exhibit No. 321

Pennsylvania Water & Power Company
 ANNUAL RATES OF RETURN ACTUALLY EARNABLE ON TOTAL INVESTMENT IN PROPERTY AT COST PLUS \$620,000 WORKING CAPITAL
 ON THE STRAIGHT LINE BASIS, AND ON THE COMPOUND INTEREST AND SINKING FUND BASES AT THREE PERCENT
 1946-2010

Assuming: (1) An intended 6½ percent fair rate of return;
 (2) Deduction of straight line and compound interest accrued depreciation
 reserve balances and income deduction of sinking fund interest
 (3) Retirements of property at F. P. C. life estimates



ANNUAL RATES OF RETURN ACTUALLY EARNABLE UNDER ALTERNATIVE METHODS OF DEPRECIATION RESERVE ACCRUAL,
On Total Investment in Property at Cost Plus \$620,000 Working Capital

ON THE STRAIGHT LINE BASIS, AND ON THE COMPOUND INTEREST AND SINKING FUND BASES AT FOUR-AND-ONE-QUARTER PERCENT
1946 - 2010

Assuming: (1) An intended 6½ percent fair rate of return;
(2) Deduction of straight line and compound interest accrued depreciation reserve balances and income deduction of sinking fund interest component;
(3) Retirements of property at F. P. C. life estimates;
(4) No income, two and three percent earnings on reserve investment.

Year	No Income from Reserve Investment			2% Earned on Reserve Investment			3% Earned on Reserve Investment		
	Straight Line	Compound Interest	Sinking Fund	Straight Line	Compound Interest	Sinking Fund	Straight Line	Compound Interest	Sinking Fund
1946	4.56	5.64	5.94	5.16	5.90	6.20	5.45	6.04	6.34
1947	4.47	5.59	5.90	5.09	5.87	6.18	5.41	6.02	6.33
1948	4.39	5.52	5.86	5.04	5.82	6.16	5.37	5.97	6.31
1949	4.30	5.46	5.82	4.98	5.78	6.14	5.32	5.94	6.30
1950	4.21	5.39	5.77	4.92	5.73	6.11	5.27	5.90	6.28
1951	4.12	5.32	5.73	4.85	5.68	6.09	5.22	5.87	6.28
1952	4.03	5.24	5.68	4.79	5.63	6.07	5.17	5.82	6.26
1953	3.95	5.17	5.63	4.74	5.58	6.04	5.13	5.78	6.24
1954	3.86	5.10	5.58	4.67	5.53	6.01	5.08	5.75	6.23
1955	3.79	5.03	5.54	4.62	5.48	5.99	5.04	5.71	6.22
1956	3.80	5.04	5.54	4.63	5.49	5.99	5.05	5.72	6.22
1957	3.72	4.96	5.49	4.58	5.43	5.96	5.00	5.67	6.20
1958	3.64	4.89	5.45	4.52	5.38	5.94	4.96	5.63	6.19
1959	3.59	4.84	5.41	4.48	5.35	5.92	4.93	5.61	6.18
1960	3.70	4.94	5.48	4.56	5.42	5.96	4.99	5.66	6.20
1961	3.67	4.91	5.46	4.54	5.40	5.95	4.98	5.65	6.20
1962	3.61	4.84	5.42	4.50	5.35	5.93	4.95	5.61	6.19
1963	3.57	4.78	5.38	4.47	5.32	5.90	4.92	5.59	6.17
1964	3.49	4.72	5.33	4.41	5.27	5.88	4.88	5.54	6.15
1965	3.63	4.84	5.42	4.51	5.35	5.93	4.95	5.61	6.18
1966	3.78	4.99	5.51	4.62	5.45	5.97	5.03	5.69	6.21
1967	3.78	4.99	5.51	4.62	5.45	5.97	5.03	5.69	6.21
1968	3.79	5.00	5.52	4.62	5.46	5.98	5.04	5.69	6.21
1969	3.80	5.01	5.53	4.63	5.47	5.99	5.05	5.70	6.22
1970	3.74	4.96	5.49	4.59	5.44	5.97	5.01	5.67	6.17
1971	3.70	4.91	5.46	4.56	5.40	5.95	4.99	5.65	6.20
1972	3.65	4.86	5.43	4.53	5.37	5.94	4.97	5.62	6.19
1973	3.61	4.82	5.40	4.50	5.34	5.92	4.94	5.59	6.17
1974	3.59	4.79	5.38	4.48	5.32	5.91	4.93	5.58	6.17
1975	3.53	4.72	5.33	4.44	5.27	5.88	4.90	5.54	6.15
1976	3.51	4.70	5.32	4.43	5.26	5.87	4.89	5.53	6.15
1977	3.52	4.69	5.32	4.44	5.25	5.88	4.89	5.52	6.15
1978	3.54	4.70	5.32	4.45	5.25	5.87	4.91	5.53	6.15
1979	3.54	4.69	5.31	4.45	5.25	5.87	4.91	5.53	6.15
1980	3.61	4.75	5.35	4.50	5.29	5.89	4.94	5.56	6.16
1981	3.64	4.76	5.36	4.52	5.29	5.89	4.96	5.56	6.16
1982	3.61	4.73	5.34	4.50	5.27	5.88	4.95	5.55	6.16
1983	3.60	4.71	5.33	4.49	5.26	5.88	4.94	5.54	6.16
1984	3.56	4.66	5.30	4.46	5.23	5.87	4.92	5.51	6.15
1985	3.50	4.58	5.24	4.42	5.17	5.83	4.89	5.47	6.13
1986	3.76	4.83	5.41	4.60	5.34	5.92	5.02	5.60	6.18
1987	3.76	4.82	5.40	4.60	5.34	5.92	5.03	5.60	6.18
1988	3.72	4.78	5.37	4.58	5.31	5.90	5.00	5.58	6.17
1989	3.66	4.71	5.33	4.53	5.26	5.88	4.97	5.54	6.16
1990	3.58	4.61	5.27	4.48	5.19	5.85	4.93	5.48	6.14
1991	3.50	4.53	5.21	4.42	5.14	5.82	4.88	5.44	6.12
1992	3.43	4.43	5.15	4.37	5.07	5.79	4.85	5.38	6.10
1993	3.37	4.35	5.10	4.33	5.01	5.76	4.81	5.34	6.09
1994	3.47	4.42	5.14	4.40	5.06	5.77	4.87	5.36	6.10
1995	3.64	4.58	5.24	4.52	5.17	5.83	4.96	5.47	6.13
1996	3.57	4.48	5.18	4.47	5.10	5.80	4.92	5.41	6.11
1997	3.50	4.39	5.12	4.42	5.04	5.77	4.89	5.37	6.10
1998	3.55	4.42	5.14	4.46	5.06	5.78	4.91	5.38	6.10
1999	3.60	4.44	5.16	4.49	5.07	5.79	4.94	5.39	6.11
2000	3.76	4.58	5.25	4.60	5.17	5.84	5.03	5.47	6.14
2001	3.91	4.72	5.34	4.71	5.27	5.89	5.11	5.54	6.16
2002	3.97	4.77	5.37	4.75	5.30	5.90	5.14	5.57	6.17
2003	3.94	4.73	5.34	4.73	5.28	5.89	5.13	5.55	6.16
2004	3.90	4.68	5.31	4.70	5.24	5.87	5.10	5.52	6.15
2005	4.17	4.94	5.48	4.89	5.42	5.96	5.24	5.66	6.20
2006	4.12	4.89	5.45	4.85	5.39	5.95	5.22	5.63	6.19
2007	4.22	4.98	5.51	4.92	5.45	5.98	5.27	5.68	6.21
2008	4.19	4.95	5.49	4.90	5.43	5.97	5.26	5.67	6.21
2009	4.11	4.87	5.43	4.85	5.37	5.93	5.21	5.62	6.18
2010	4.03	4.79	5.38	4.79	5.32	5.91	5.17	5.58	6.17

[24102] Exhibit No. 321

097

Pennsylvania Water & Power Company

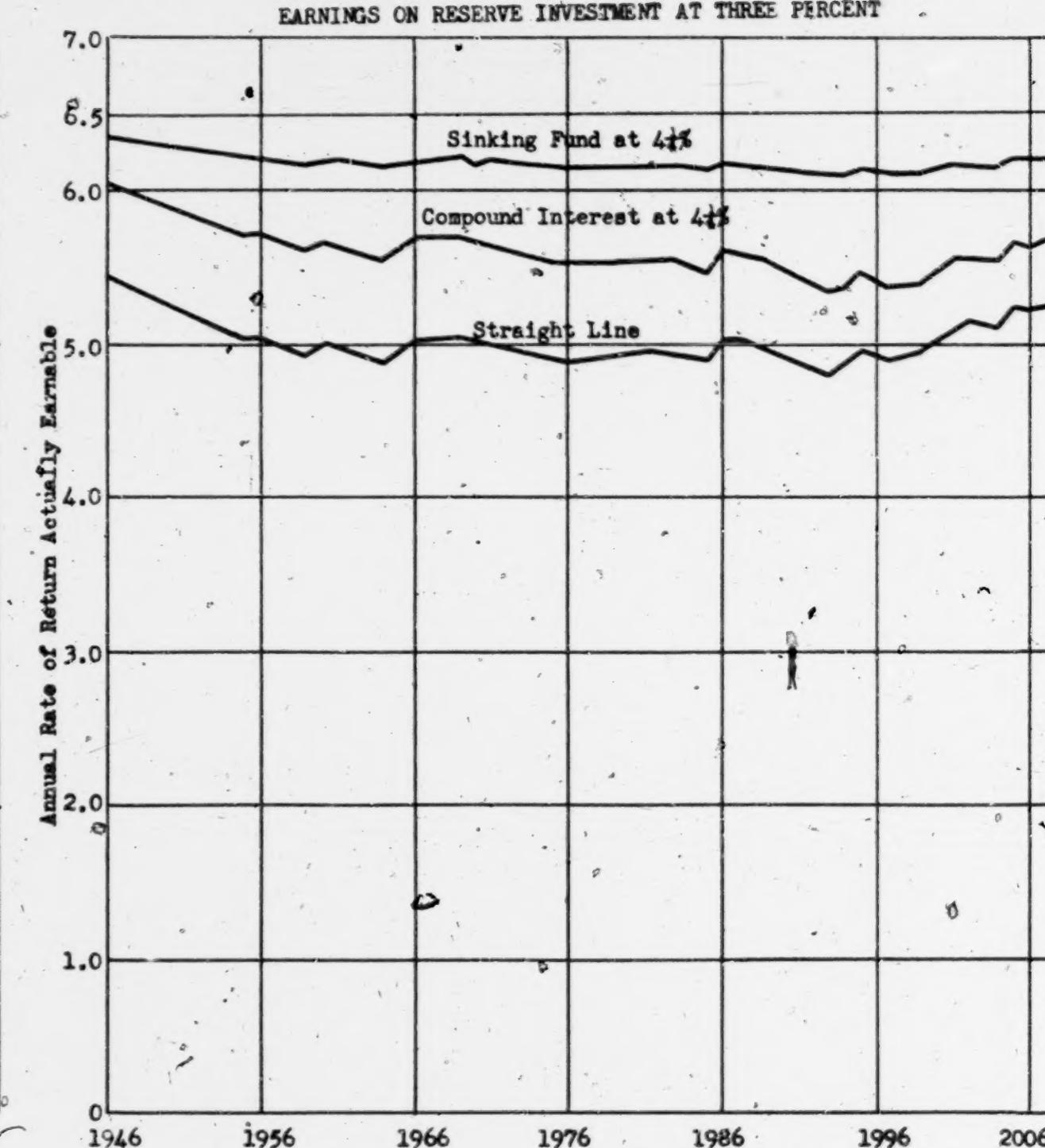
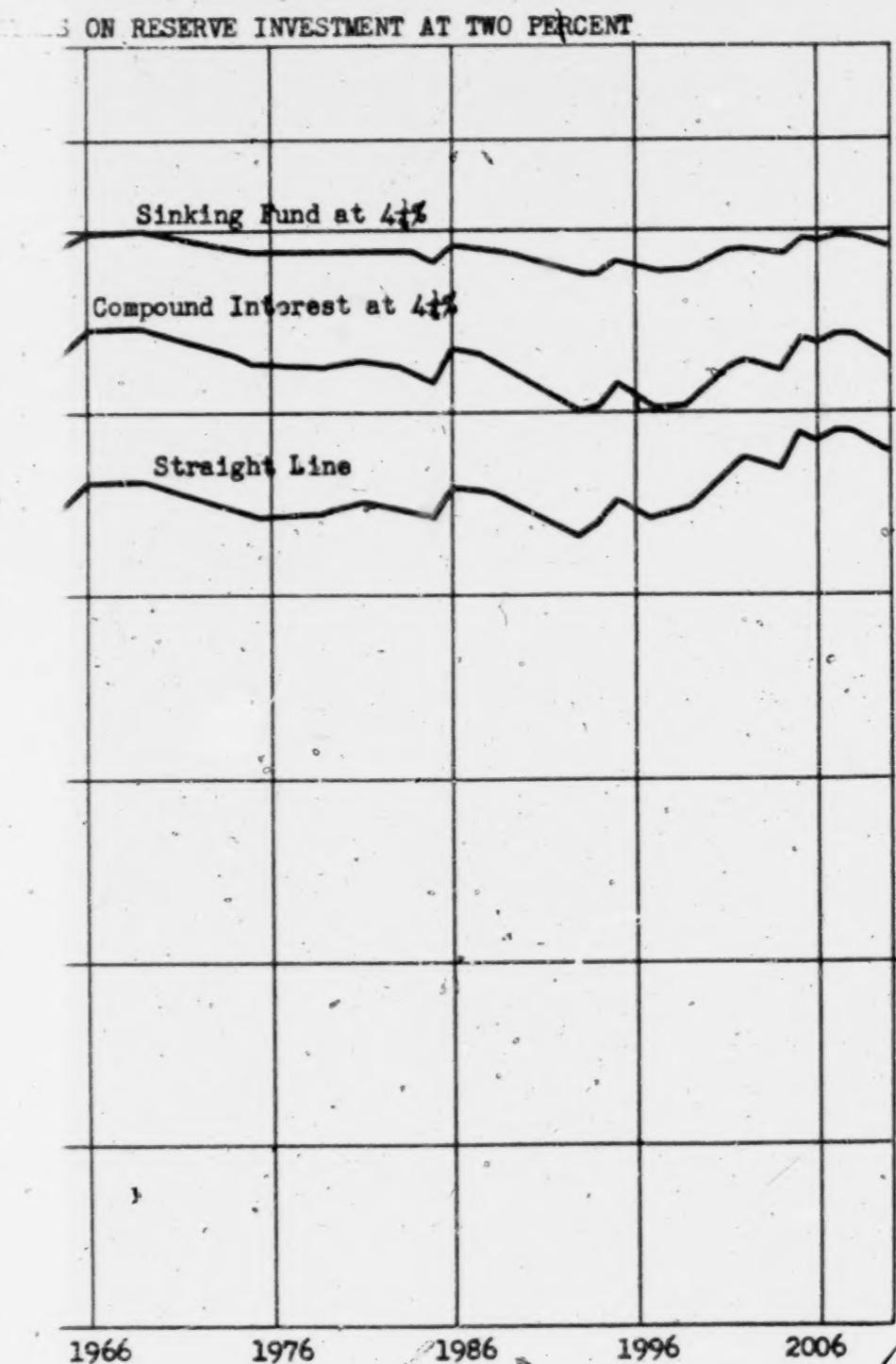
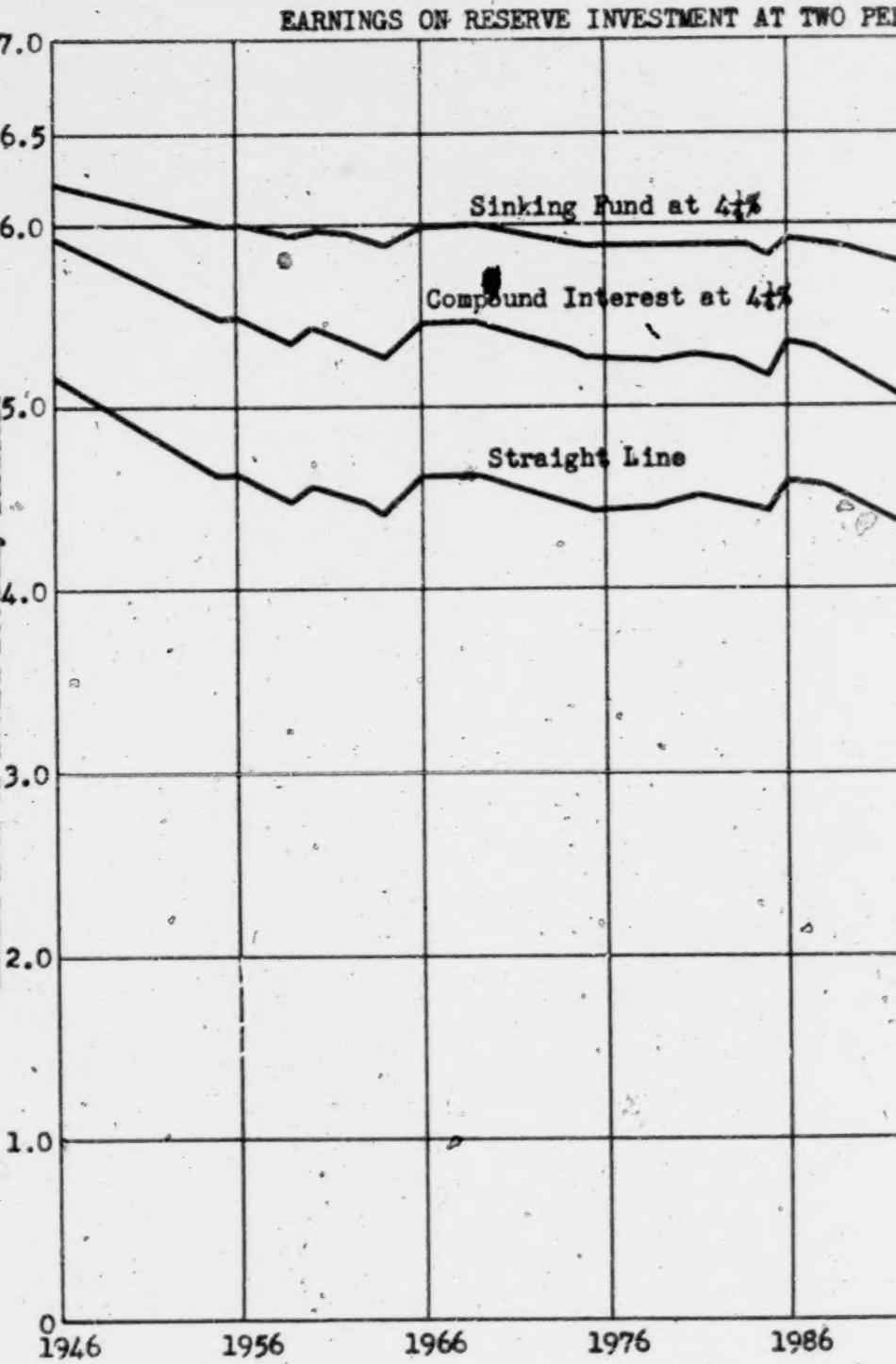
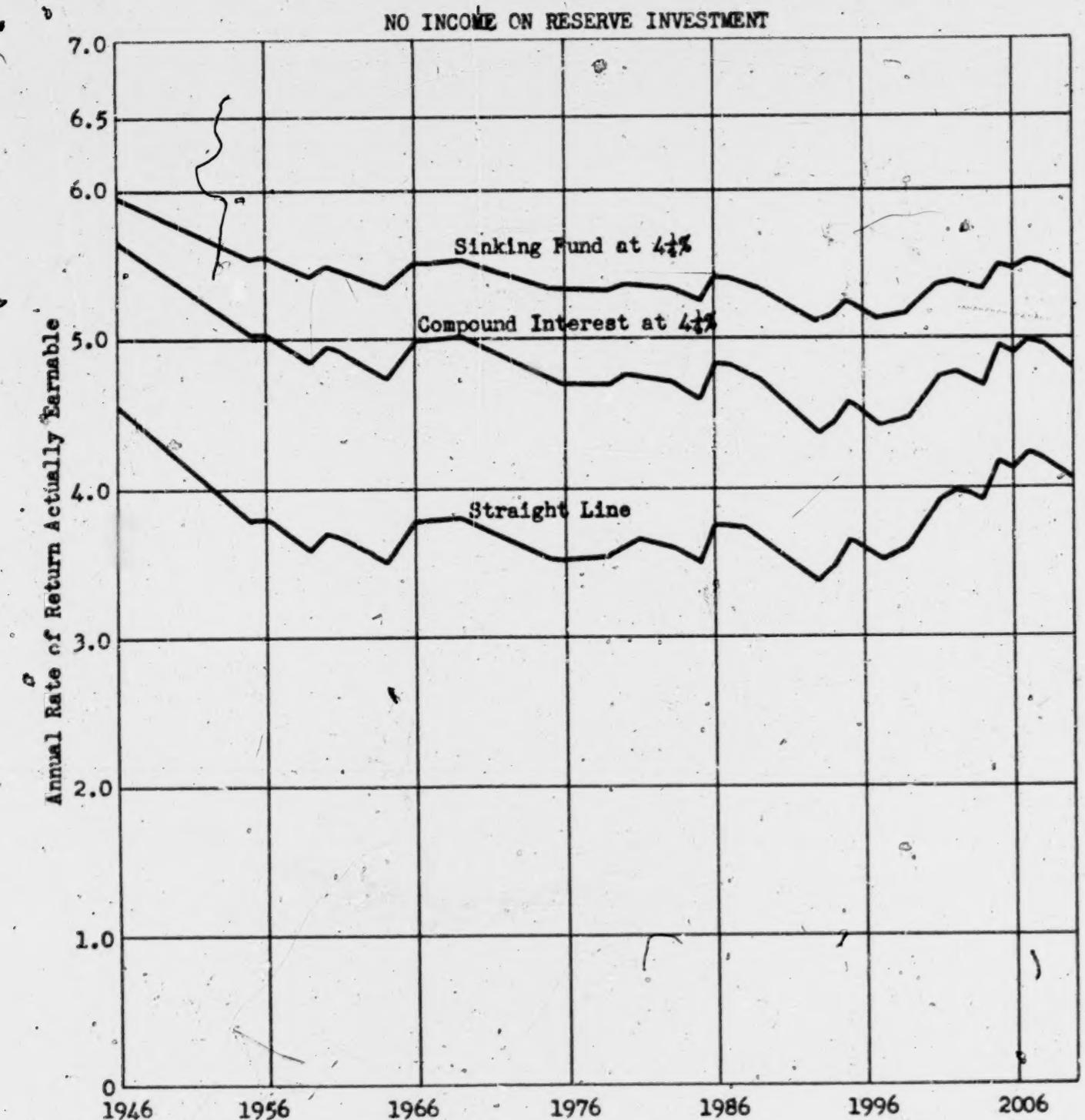
ANNUAL RATES OF RETURN ACTUALLY EARNABLE ON TOTAL INVESTMENT IN PROPERTY AT COST
ON THE STRAIGHT LINE BASIS, AND ON THE COMPOUND INTEREST AND SINKING FUND BASES
1946-2010

Assuming: (1) An intended 6½ percent fair rate of return;
(2) Deduction of straight line and compound interest as
reserve balances and income deduction of sinking fund
(3) Retirements of property at F. P. C. life estimates

Pennsylvania Water & Power Company

TOTAL INVESTMENT IN PROPERTY AT COST PLUS \$620,000 WORKING CAPITAL
ON THE STRAIGHT LINE BASIS, AND ON THE COMPOUND INTEREST AND SINKING FUND BASES AT FOUR AND A QUARTER PERCENT
1946-2010

percent fair rate of return;
straight line and compound interest accrued depreciation
and income deduction of sinking fund interest component;
property at F. P. C. life estimates.



Pennsylvania Water & Power Company
ANNUAL RATES OF RETURN ACTUALLY EARNABLE UNDER ALTERNATIVE METHODS OF DEPRECIATION RESERVE ACCRUAL
 On Total Investment in Property at Cost Plus \$620,000 Working Capital

ON THE STRAIGHT LINE BASIS, AND ON THE COMPOUND INTEREST AND SINKING FUND BASES AT SIX PERCENT
 1946 - 2010

⁷ Assuming: (1) An intended 6½ percent fair rate of return;
 (2) Deduction of straight line and compound interest accrued depreciation reserve
 balances and income deduction of sinking fund interest component;
 (3) Retirements of property at F. P. C. life estimates;
 (4) No income, two and three percent earnings on reserve investment.

Year	No Income from Reserve Investment			2% Earned on Reserve Investment			3% Earned on Reserve Investment		
	Straight Line	Compound Interest	Sinking Fund	Straight Line	Compound Interest	Sinking Fund	Straight Line	Compound Interest	Sinking Fund
1946	4.56	5.89	5.93	5.16	6.08	6.12	5.45	6.17	6.21
1947	4.47	5.84	5.89	5.09	6.04	6.09	5.41	6.15	6.20
1948	4.39	5.78	5.84	5.04	6.00	6.06	5.37	6.11	6.17
1949	4.30	5.73	5.79	4.98	5.96	6.03	5.32	6.09	6.15
1950	4.21	5.67	5.73	4.92	5.93	5.99	5.27	6.05	6.11
1951	4.12	5.60	5.67	4.85	5.88	5.95	5.22	6.01	6.08
1952	4.03	5.54	5.61	4.79	5.84	5.91	5.17	5.98	6.05
1953	3.95	5.47	5.55	4.74	5.79	5.87	5.13	5.94	6.02
1954	3.86	5.40	5.48	4.67	5.74	5.82	5.08	5.91	5.99
1955	3.79	5.34	5.43	4.62	5.70	5.79	5.04	5.88	5.97
1956	3.80	5.35	5.44	4.63	5.70	5.79	5.05	5.88	5.97
1957	3.72	5.28	5.37	4.58	5.66	5.75	5.00	5.84	5.93
1958	3.64	5.21	5.31	4.52	5.61	5.71	4.96	5.81	5.91
1959	3.59	5.15	5.25	4.48	5.56	5.66	4.93	5.77	5.87
1960	3.70	5.26	5.35	4.56	5.64	5.73	4.99	5.83	5.92
1961	3.67	5.23	5.32	4.54	5.62	5.71	4.98	5.82	5.91
1962	3.61	5.16	5.26	4.50	5.57	5.67	4.95	5.78	5.88
1963	3.57	5.12	5.22	4.47	5.55	5.65	4.92	5.76	5.86
1964	3.49	5.04	5.15	4.41	5.41	5.60	4.88	5.72	5.83
1965	3.63	5.16	5.26	4.51	5.57	5.67	4.95	5.78	5.88
1966	3.78	5.31	5.40	4.62	5.68	5.77	5.03	5.86	5.95
1967	3.78	5.31	5.40	4.62	5.68	5.77	5.03	5.86	5.95
1968	3.79	5.33	5.42	4.62	5.69	5.78	5.04	5.87	5.96
1969	3.80	5.34	5.43	4.63	5.70	5.79	5.05	5.87	5.96
1970	3.74	5.29	5.38	4.59	5.66	5.75	5.01	5.85	5.94
1971	3.70	5.24	5.34	4.56	5.63	5.73	4.99	5.82	5.92
1972	3.65	5.20	5.30	4.53	5.60	5.70	4.97	5.80	5.90
1973	3.61	5.16	5.26	4.50	5.57	5.67	4.94	5.78	5.88
1974	3.59	5.13	5.24	4.48	5.55	5.66	4.93	5.76	5.87
1975	3.53	5.06	5.17	4.44	5.50	5.61	4.90	5.72	5.83
1976	3.51	5.04	5.15	4.43	5.49	5.60	4.89	5.72	5.83
1977	3.52	5.03	5.15	4.44	5.48	5.60	4.89	5.71	5.83
1978	3.54	5.04	5.15	4.45	5.49	5.60	4.91	5.71	5.82
1979	3.54	5.03	5.14	4.45	5.48	5.59	4.91	5.71	5.82
1980	3.61	5.09	5.20	4.50	5.52	5.63	4.94	5.74	5.85
1981	3.64	5.10	5.21	4.52	5.53	5.64	4.96	5.75	5.86
1982	3.61	5.07	5.18	4.50	5.51	5.62	4.95	5.73	5.84
1983	3.60	5.04	5.16	4.49	5.49	5.61	4.94	5.71	5.83
1984	3.56	5.00	5.11	4.46	5.46	5.57	4.92	5.69	5.80
1985	3.50	4.92	5.04	4.42	5.41	5.53	4.89	5.65	5.77
1986	3.76	5.16	5.27	4.60	5.57	5.68	5.02	5.78	5.89
1987	3.76	5.15	5.25	4.60	5.57	5.67	5.03	5.77	5.87
1988	3.72	5.11	5.22	4.58	5.54	5.65	5.00	5.75	5.86
1989	3.66	5.04	5.15	4.53	5.49	5.60	4.97	5.71	5.82
1990	3.58	4.95	5.07	4.48	5.43	5.55	4.93	5.67	5.79
1991	3.50	4.85	4.98	4.42	5.36	5.49	4.88	5.61	5.74
1992	3.43	4.76	4.89	4.37	5.30	5.43	4.85	5.56	5.69
1993	3.37	4.67	4.81	4.33	5.23	5.37	4.81	5.51	5.65
1994	3.47	4.73	4.87	4.40	5.27	5.42	4.87	5.55	5.69
1995	3.64	4.88	5.00	4.52	5.38	5.50	4.96	5.63	5.75
1996	3.57	4.78	4.91	4.47	5.31	5.44	4.92	5.58	5.71
1997	3.50	4.68	4.82	4.42	5.24	5.38	4.89	5.52	5.66
1998	3.55	4.70	4.84	4.46	5.25	5.39	4.91	5.53	5.67
1999	3.60	4.72	4.85	4.49	5.27	5.40	4.94	5.55	5.67
2000	3.76	4.84	4.97	4.60	5.35	5.48	5.03	5.61	5.74
2001	3.91	4.97	5.09	4.71	5.44	5.56	5.11	5.68	5.80
2002	3.97	5.02	5.13	4.75	5.48	5.59	5.14	5.70	5.81
2003	3.94	4.97	5.09	4.73	5.44	5.56	5.13	5.68	5.80
2004	3.90	4.92	5.04	4.70	5.41	5.53	5.10	5.65	5.77
2005	4.17	5.17	5.27	4.89	5.58	5.68	5.24	5.79	5.89
2006	4.12	5.11	5.22	4.85	5.54	5.65	5.22	5.75	5.86
2007	4.22	5.20	5.30	4.92	5.60	5.70	5.27	5.80	5.90
2008	4.19	5.17	5.27	4.90	5.58	5.68	5.26	5.79	5.89
2009	4.11	5.09	5.19	4.85	5.52	5.62	5.21	5.74	5.84
2010	4.03	5.00	5.12	4.79	5.46	5.58	5.17	5.69	5.81

[24104] Exhibit No. 321

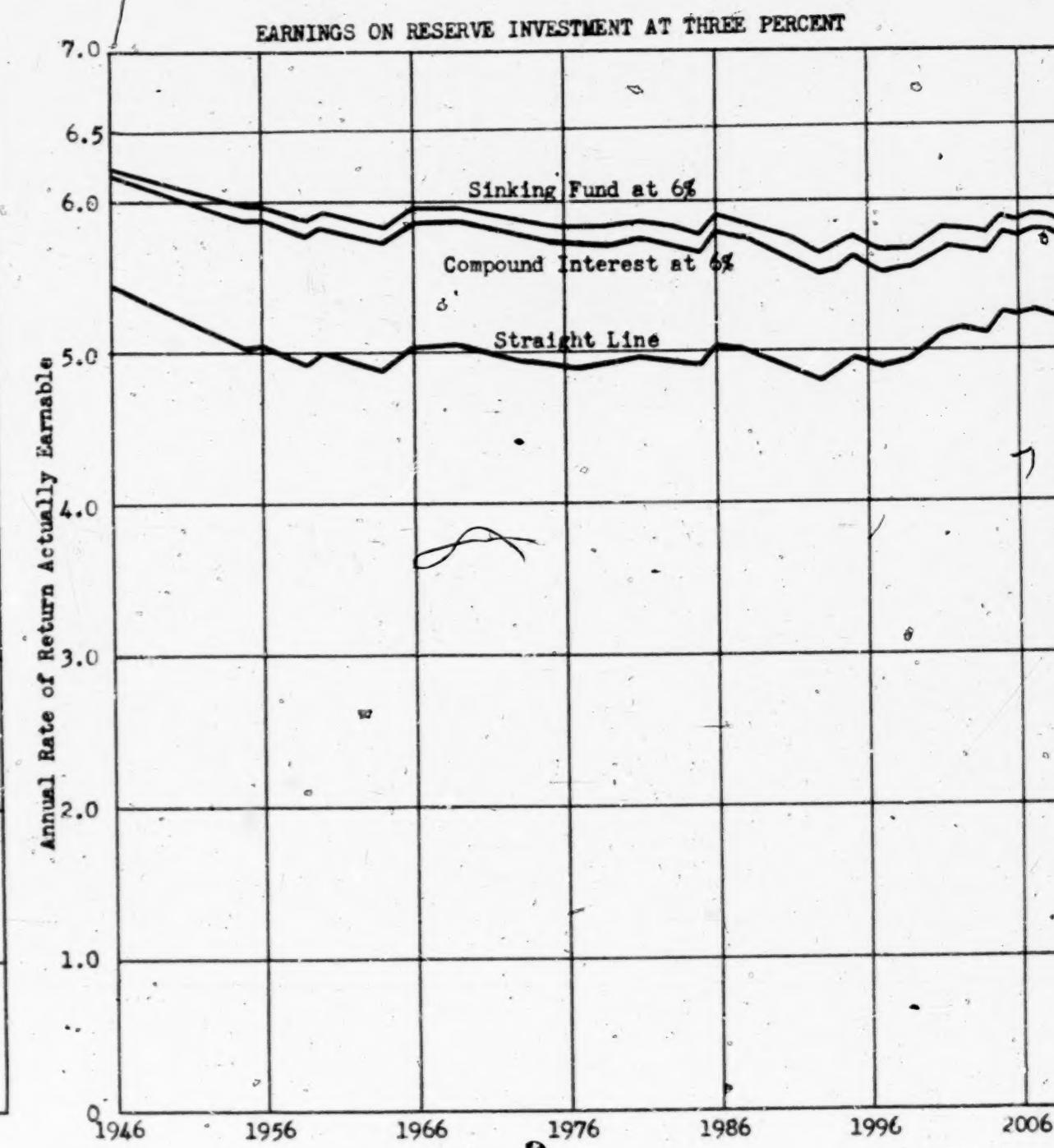
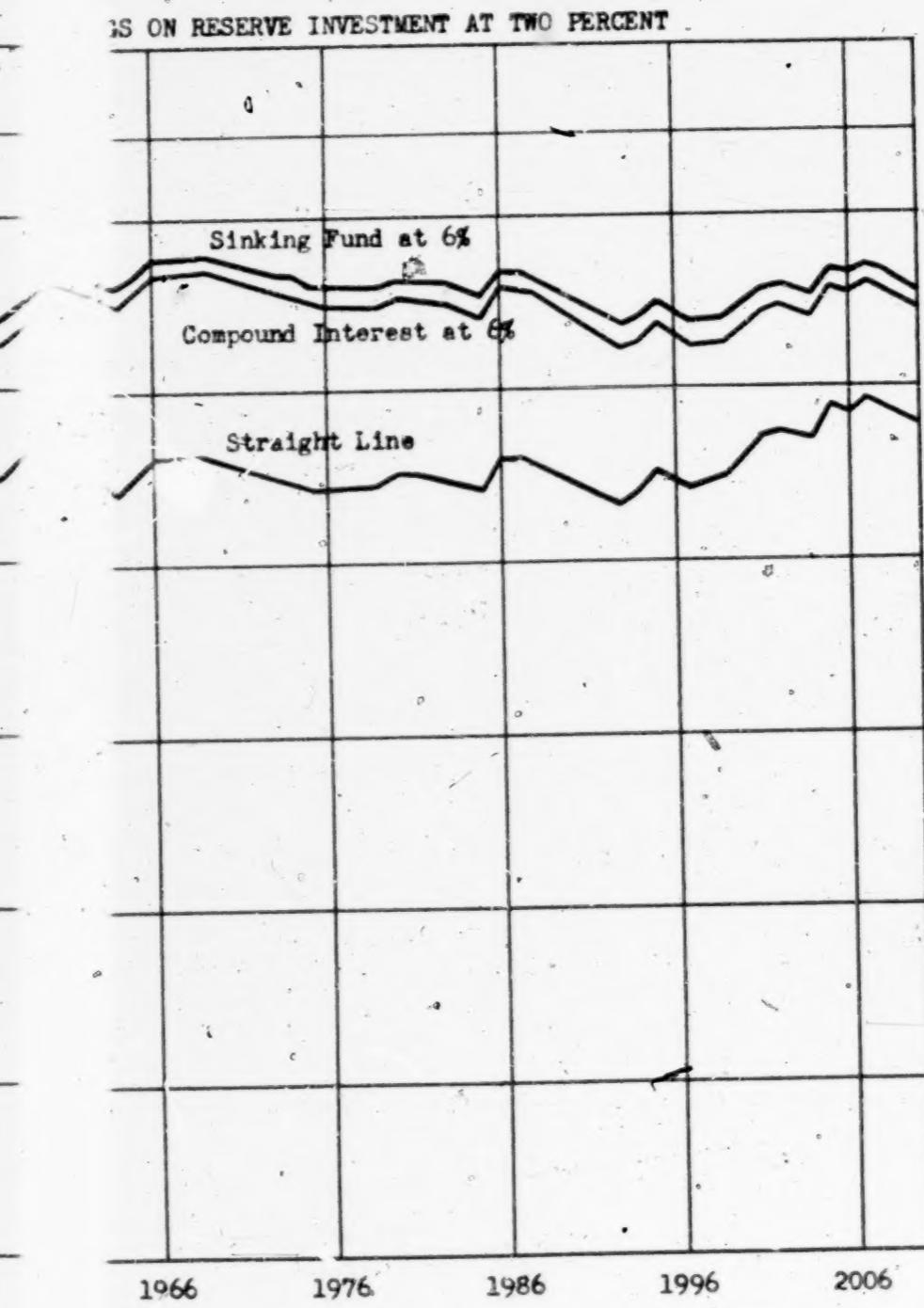
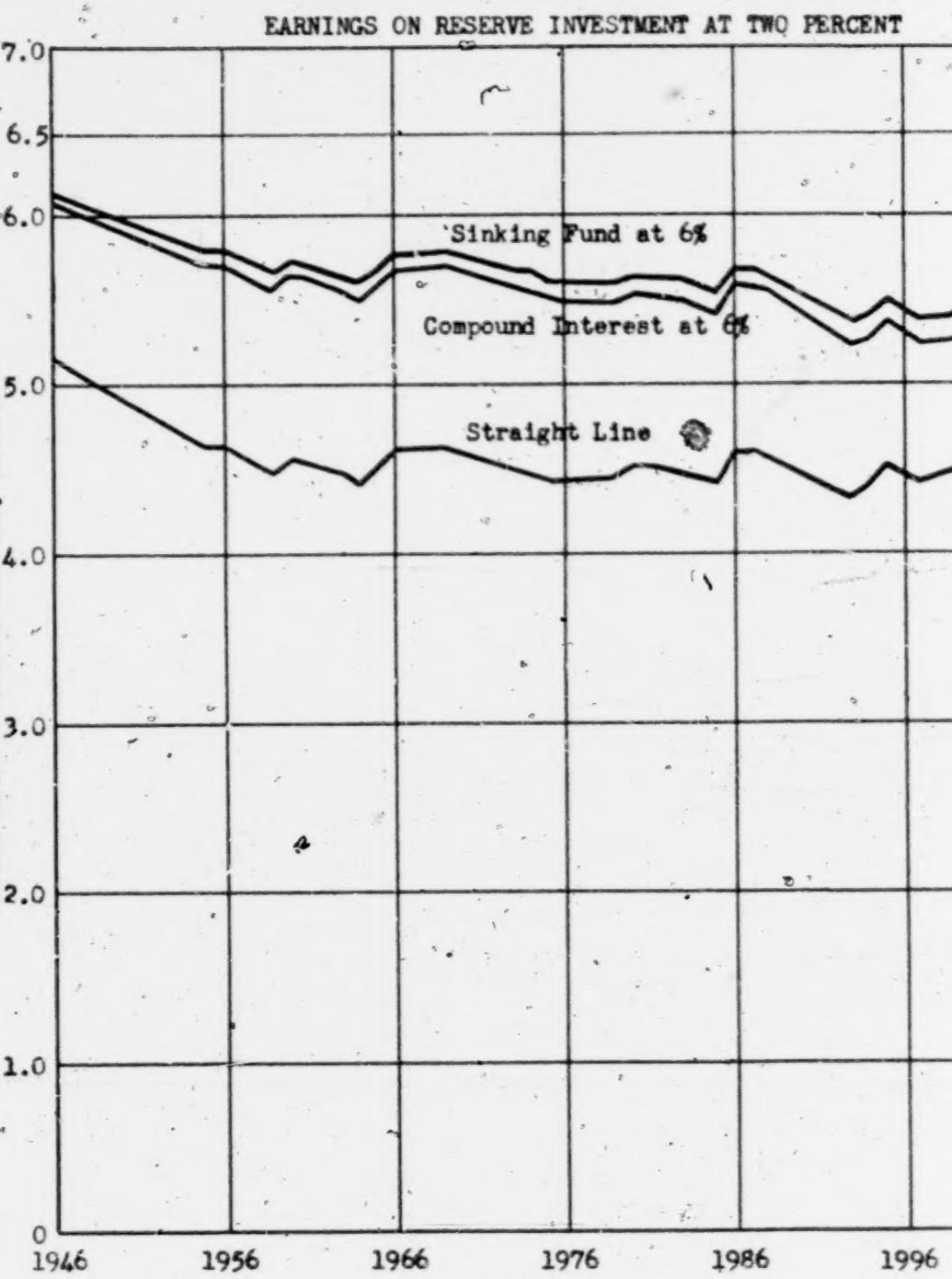
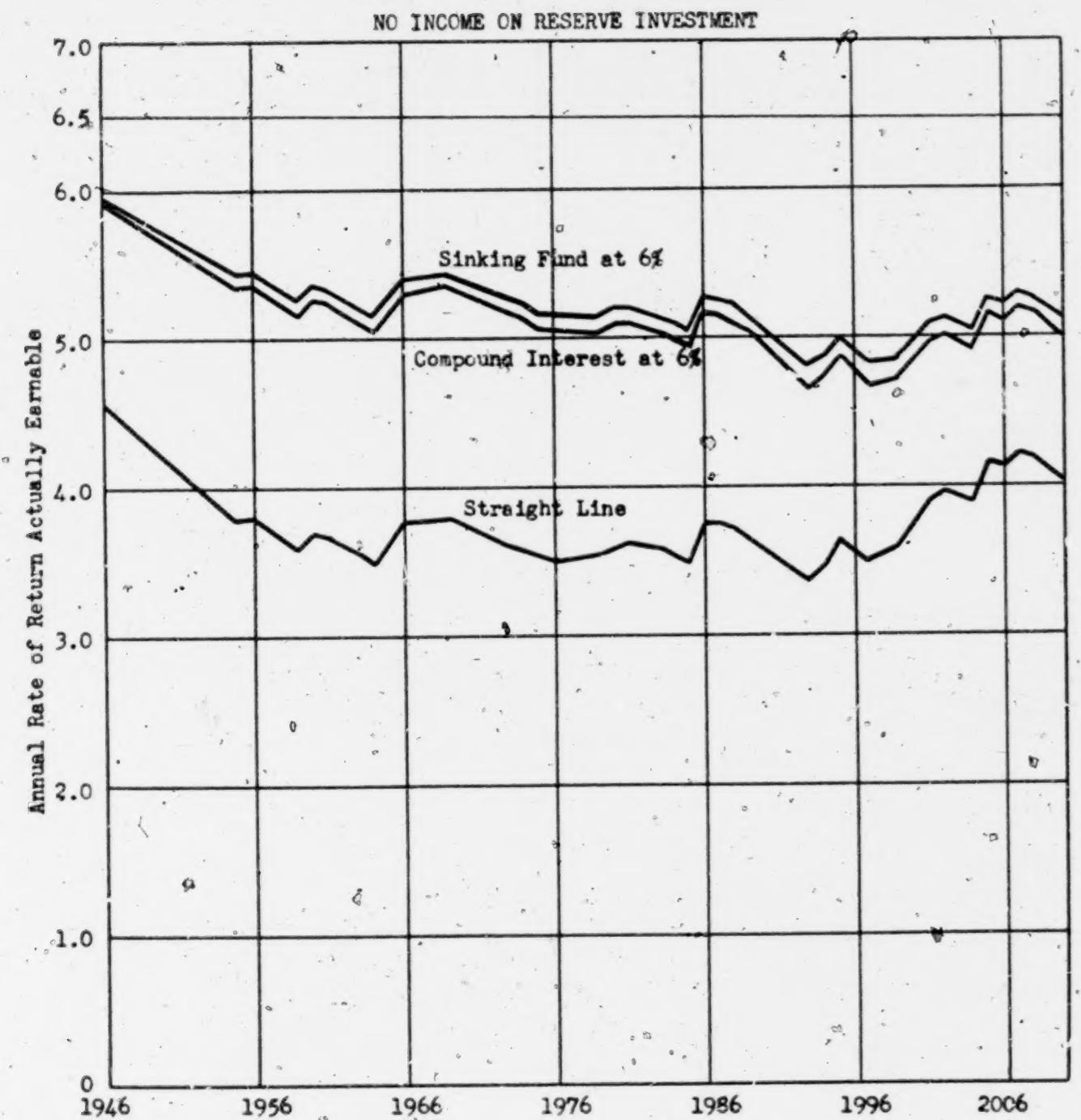
Pennsylvania Water & Power Company
ANNUAL RATES OF RETURN ACTUALLY EARNABLE ON TOTAL INVESTMENT IN PROPERTY AT COST PLUS \$620,000 WORKING CAPITAL
ON THE STRAIGHT LINE BASIS, AND ON THE COMPOUND INTEREST AND SINKING FUND BASIS
1946-2010

Pennsylvania Water & Power Company
ON TOTAL INVESTMENT IN PROPERTY AT COST PLUS \$620,000 WORKING CAPITAL
ON THE COMPOUND INTEREST AND SINKING FUND BASES AT SIX PERCENT
1946-2010

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Assuming: (1) An intended $6\frac{1}{2}$ percent fair rate of return;
(2) Deduction of straight line and compound interest accrued depreciation of property; and deduction of reserve balances and income deduction of sinking fund interest component;
(3) Retirements of property at F. P. C. life estimates.

$6\frac{1}{2}$ percent fair rate of return;
straight line and compound interest accrued depreciation of property; and deduction of reserve balances and income deduction of sinking fund interest component;
of property at F. P. C. life estimates.



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Pennsylvania Water & Power Company

ANNUAL RATES OF RETURN ACTUALLY EARNABLE ON THE STRAIGHT LINE BASIS
 OF DEPRECIATION RESERVE ACCRUAL AND RESERVE BALANCE DEDUCTION

Compared with

ANNUAL RATES OF RETURN REQUIRED TO YIELD AN INTENDED FAIR RATE OF RETURN OF 6 1/2%
 For Selected Years at Ten-Year Intervals, and the Year 2010,
 ASSUMING: NO INCOME, 2% AND 3% EARNINGS ON DEPRECIATION RESERVE BALANCES

Year	No Income from Reserve Investment		2% Earned on Reserve Investment		3% Earned on Reserve Investment	
	Rate of Return		Rate of Return		Rate of Return	
	Actually Earned	Required to Yield 6 1/2%	Actually Earned	Required to Yield 6 1/2%	Actually Earned	Required to Yield 6 1/2%
1946	4.56	9.27	5.16	8.19	5.45	7.75
1955	3.79	11.15	4.62	9.15	5.04	8.38
1965	3.63	11.64	4.51	9.37	4.95	8.54
1975	3.53	11.97	4.44	9.52	4.90	8.62
1985	3.50	12.07	4.42	9.56	4.89	8.64
1995	3.64	11.61	4.52	9.35	4.96	8.52
2005	4.17	10.13	4.89	8.64	5.24	8.06
2010	4.03	10.48	4.79	8.82	5.17	8.17

Pennsylvania Water & Power Company

AVERAGE CUMULATIVE RATES OF RETURN ACTUALLY EARNABLE ON THE STRAIGHT LINE BASIS
 OF DEPRECIATION RESERVE ACCRUAL AND RESERVE BALANCE DEDUCTION

Compared with

AVERAGE CUMULATIVE RATES OF RETURN REQUIRED TO YIELD AN INTENDED FAIR RATE OF RETURN OF 6 1/2%
 For Selected Periods, 1946-2010,
 ASSUMING: NO INCOME, 2% AND 3% EARNINGS ON DEPRECIATION RESERVE BALANCES

Period	No Income from Reserve Investment		2% Earned on Reserve Investment		3% Earned on Reserve Investment	
	Rate of Return		Rate of Return		Rate of Return	
	Actually Earned	Required to Yield 6 1/2%	Actually Earned	Required to Yield 6 1/2%	Actually Earned	Required to Yield 6 1/2%
1946	4.56	9.27	5.16	8.19	5.45	7.75
1946-1951	4.34	9.74	5.00	8.45	5.34	7.91
1946-1955	4.17	10.13	4.89	8.64	5.25	8.05
1946-1959	4.03	10.48	4.79	8.82	5.17	8.17
1946-1964	3.92	10.78	4.71	8.97	5.11	8.27
1946-1969	3.89	10.86	4.69	9.01	5.10	8.28
1946-1974	3.85	10.97	4.67	9.05	5.07	8.33
1946-1979	3.80	11.12	4.63	9.13	5.05	8.37
1946-1984	3.77	11.21	4.61	9.16	5.03	8.40
1946-1989	3.76	11.24	4.60	9.18	5.02	8.42
1946-1993	3.74	11.30	4.59	9.20	5.02	8.42
1946-1998	3.72	11.36	4.58	9.22	5.00	8.45
1946-2004	3.73	11.33	4.58	9.22	5.01	8.43
1946-2010	3.77	11.21	4.61	9.16	5.03	

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Pennsylvania Water & Power Company

ANNUAL RATES OF RETURN ACTUALLY EARNABLE ON THE 3%, 4 1/4% AND 6% COMPOUND INTEREST BASIS OF DEPRECIATION RESERVE ACCRUAL AND RESERVE BALANCE DEDUCTION

Compared with

ANNUAL RATES OF RETURN REQUIRED TO YIELD AN INTENDED FAIR RATE OF RETURN OF 6 1/4%

For Selected Years at Ten-Year Intervals, and the Year 2010,
ASSUMING: NO INCOME, 2% AND 3% EARNINGS ON DEPRECIATION RESERVE BALANCES

Year	No Income from Reserve Investment		2% Earned on Reserve Investment		3% Earned on Reserve Investment	
	Rate of Return		Rate of Return		Rate of Return	
	Actually Earned	Required to Yield 6 1/4%	Actually Earned	Required to Yield 6 1/4%	Actually Earned	Required to Yield 6 1/4%
<u>Compound Interest at 3 Percent</u>						
1946	5.41	7.81	5.75	7.35	5.91	7.15
1955	4.74	8.91	5.28	8.00	5.55	7.61
1965	4.55	9.29	5.15	8.20	5.45	7.75
1975	4.41	9.58	5.05	8.37	5.37	7.87
1985	4.29	9.85	4.97	8.50	5.31	7.96
1995	4.32	9.78	4.99	8.47	5.32	7.94
2005	4.74	8.91	5.28	8.00	5.55	7.61
2010	4.60	9.18	5.18	8.15	5.48	7.71
<u>Compound Interest at 4 1/4 Percent</u>						
1946	5.64	7.49	5.90	7.16	6.04	7.00
1955	5.03	8.40	5.48	7.71	5.71	7.40
1965	4.84	8.73	5.35	7.90	5.61	7.53
1975	4.72	8.95	5.27	8.02	5.54	7.63
1985	4.58	9.22	5.17	8.17	5.47	7.72
1995	4.58	9.22	5.17	8.17	5.47	7.72
2005	4.94	8.55	5.42	7.80	5.66	7.46
2010	4.79	8.82	5.32	7.94	5.58	7.57
<u>Compound Interest at 6 Percent</u>						
1946	5.89	7.17	6.08	6.95	6.17	6.85
1955	5.34	7.91	5.70	7.41	5.88	7.19
1965	5.16	8.19	5.57	7.59	5.78	7.31
1975	5.06	8.35	5.50	7.68	5.72	7.39
1985	4.92	8.59	5.41	7.81	5.65	7.48
1995	4.88	8.66	5.38	7.85	5.63	7.50
2005	5.17	8.17	5.58	7.57	5.79	7.30
2010	5.00	8.45	5.46	7.74	5.69	7.43

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Pennsylvania Water & Power Company

AVERAGE CUMULATIVE RATES OF RETURN ACTUALLY EARNABLE ON THE $3\frac{1}{2}$, $4\frac{1}{2}$ AND $6\frac{1}{2}$ COMPOUND INTEREST BASIS OF DEPRECIATION RESERVE ACCRUAL AND RESERVE BALANCE DEDUCTION

Compared with

AVERAGE CUMULATIVE RATES OF RETURN REQUIRED TO YIELD AN INTENDED FAIR RATE OF RETURN OF $6\frac{1}{2}\%$

For Selected Periods, 1946-2010,

ASSUMING: NO INCOME, 2% AND 3% EARNINGS ON DEPRECIATION RESERVE BALANCES

Period	No Income from Reserve Investment		2% Earned on Reserve Investment		3% Earned on Reserve Investment	
	Rate of Return		Rate of Return		Rate of Return	
	Actually Earned	Required to Yield $6\frac{1}{2}\%$	Actually Earned	Required to Yield $6\frac{1}{2}\%$	Actually Earned	Required to Yield $6\frac{1}{2}\%$
<u>Compound Interest at 3 Percent</u>						
1946	5.41	7.81	5.75	7.35	5.91	7.15
1946-1951	5.22	8.09	5.61	7.53	5.81	7.27
1946-1955	5.03	8.32	5.52	7.65	5.74	7.36
1946-1959	4.95	8.54	5.43	7.78	5.66	7.46
1946-1964	4.84	8.73	5.35	7.90	5.61	7.53
1946-1969	4.81	8.78	5.33	7.93	5.59	7.56
1946-1974	4.77	8.86	5.30	7.97	5.57	7.59
1946-1979	4.71	8.97	5.26	8.03	5.54	7.53
1946-1984	4.67	9.05	5.23	8.08	5.51	7.67
1946-1989	4.64	9.11	5.21	8.11	5.50	7.68
1946-1993	4.61	9.16	5.19	8.14	5.48	7.71
1946-1998	4.58	9.22	5.17	8.17	5.47	7.72
1946-2004	4.56	9.27	5.16	8.19	5.45	7.75
1946-2010	4.58	9.22	5.17	8.17	5.47	7.72
<u>Compound Interest at $4\frac{1}{2}$ Percent</u>						
1946	5.64	7.49	5.90	7.16	6.04	7.00
1946-1951	5.49	7.70	5.80	7.28	5.96	7.09
1946-1955	5.35	7.90	5.71	7.40	5.88	7.19
1946-1959	5.23	8.08	5.62	7.52	5.82	7.26
1946-1964	5.13	8.24	5.55	7.61	5.76	7.34
1946-1969	5.09	8.30	5.52	7.65	5.74	7.36
1946-1974	5.05	8.37	5.49	7.70	5.72	7.39
1946-1979	5.00	8.45	5.46	7.74	5.69	7.43
1946-1984	4.97	8.50	5.44	7.77	5.68	7.44
1946-1989	4.94	8.55	5.42	7.80	5.66	7.46
1946-1993	4.90	8.62	5.39	7.84	5.64	7.49
1946-1998	4.86	8.69	5.36	7.88	5.62	7.52
1946-2004	4.84	8.73	5.35	7.90	5.60	7.54
1946-2010	4.84	8.73	5.35	7.90	5.60	7.54
<u>Compound Interest at 6 Percent</u>						
1946	5.89	7.17	6.08	6.95	6.17	6.85
1946-1951	5.75	7.35	5.98	7.07	6.10	6.93
1946-1955	5.63	7.50	5.90	7.16	6.04	7.00
1946-1959	5.52	7.65	5.82	7.26	5.97	7.08
1946-1964	5.42	7.80	5.75	7.35	5.92	7.14
1946-1969	5.40	7.82	5.74	7.36	5.91	7.15
1946-1974	5.36	7.88	5.71	7.40	5.89	7.17
1946-1979	5.31	7.96	5.67	7.45	5.86	7.21
1946-1984	5.28	8.00	5.65	7.48	5.84	7.23
1946-1989	5.26	8.03	5.64	7.49	5.83	7.25
1946-1993	5.22	8.09	5.61	7.53	5.81	7.27
1946-1998	5.18	8.16	5.59	7.56	5.79	7.30
1946-2004	5.15	8.20	5.56	7.60	5.77	7.32
1946-2010	5.15	8.20	5.57	7.59	5.77	7.32

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Pennsylvania Water & Power Company

ANNUAL RATES OF RETURN ACTUALLY EARNABLE ON THE SINKING FUND BASIS
OF DEPRECIATION RESERVE ACCRUAL AND RESERVE BALANCE DEDUCTION

Compared with

ANNUAL RATES OF RETURN REQUIRED TO YIELD AN INTENDED FAIR RATE OF RETURN OF 6 1/4
For Selected Years at Ten-Year Intervals, and the Year 2010,
ASSUMING: NO INCOME, 2% AND 3% EARNINGS ON DEPRECIATION RESERVE BALANCES

Year	No Income from Reserve Investment		2% Earned on Reserve Investment		3% Earned on Reserve Investment	
	Rate of Return		Rate of Return		Rate of Return	
	Actually Earned	Required to Yield 6 1/4	Actually Earned	Required to Yield 6 1/4	Actually Earned	Required to Yield 6 1/4

Sinking Fund at 3 Percent

1946	6.00	7.04	6.34	6.66	6.50	6.50
1955	5.69	7.43	6.23	6.78	6.50	6.50
1965	5.60	7.54	6.20	6.81	6.50	6.50
1975	5.54	7.63	6.18	6.84	6.50	6.50
1985	5.48	7.71	6.16	6.86	6.50	6.50
1995	5.49	7.70	6.16	6.86	6.50	6.50
2005	5.69	7.43	6.23	6.78	6.50	6.50
2010	5.63	7.50	6.21	6.80	6.50	6.50

Sinking Fund at 4 1/4 Percent

1946	5.94	7.11	6.20	6.81	6.34	6.66
1955	5.54	7.63	5.99	7.05	6.22	6.79
1965	5.42	7.80	5.93	7.12	6.18	6.84
1975	5.33	7.93	5.88	7.19	6.15	6.87
1985	5.24	8.06	5.83	7.25	6.13	6.89
1995	5.24	8.06	5.83	7.25	6.13	6.89
2005	5.48	7.71	5.96	7.09	6.20	6.81
2010	5.38	7.85	5.91	7.15	6.17	6.85

Sinking Fund at 6 Percent

1946	5.93	7.12	6.12	6.90	6.21	6.80
1955	5.43	7.78	5.79	7.30	5.97	7.08
1965	5.26	8.03	5.67	7.45	5.88	7.19
1975	5.17	8.17	5.61	7.53	5.83	7.25
1985	5.04	8.38	5.53	7.64	5.77	7.32
1995	5.00	8.45	5.50	7.68	5.75	7.35
2005	5.27	8.02	5.68	7.44	5.89	7.17
2010	5.12	8.25	5.58	7.57	5.69	7.43

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Pennsylvania Water & Power Company

AVERAGE CUMULATIVE RATES OF RETURN ACTUALLY EARNABLE ON THE SINKING FUND BASIS
OF DEPRECIATION RESERVE ACCRUAL AND RESERVE BALANCE DEDUCTION

Compared with

AVERAGE CUMULATIVE RATES OF RETURN REQUIRED TO YIELD AN INTENDED FAIR RATE OF RETURN OF 6 1/2%

For Selected Periods, 1946-2010,

ASSUMING: NO INCOME, 2% AND 3% EARNINGS ON DEPRECIATION RESERVE BALANCES

Period	No Income from Reserve Investment		2% Earned on Reserve Investment		3% Earned on Reserve Investment	
	Rate of Return		Rate of Return		Rate of Return	
	Actually Earned	Required to Yield 6 1/2%	Actually Earned	Required to Yield 6 1/2%	Actually Earned	Required to Yield 6 1/2%
<u>Sinking Fund at 3 Percent</u>						
1946	6.00	7.04	6.34	6.66	6.50	6.50
1946-1951	5.91	7.15	6.30	6.71	6.50	6.50
1946-1955	5.84	7.23	6.28	6.73	6.50	6.50
1946-1959	5.79	7.30	6.27	6.74	6.50	6.50
1946-1964	5.74	7.36	6.25	6.76	6.50	6.50
1946-1969	5.72	7.39	6.24	6.77	6.50	6.50
1946-1974	5.70	7.41	6.23	6.78	6.50	6.50
1946-1979	5.67	7.45	6.22	6.79	6.50	6.50
1946-1984	5.66	7.46	6.22	6.79	6.50	6.50
1946-1989	5.64	7.49	6.21	6.80	6.50	6.50
1946-1993	5.63	7.50	6.21	6.80	6.50	6.50
1946-1998	5.61	7.53	6.20	6.81	6.50	6.50
1946-2004	5.61	7.53	6.20	6.81	6.50	6.50
1946-2010	5.61	7.53	6.20	6.81	6.50	6.50
<u>Sinking Fund at 4 1/2 Percent</u>						
1946	5.94	7.11	6.20	6.81	6.34	6.66
1946-1951	5.84	7.23	6.15	6.87	6.31	6.70
1946-1955	5.75	7.35	6.11	6.91	6.28	6.73
1946-1959	5.67	7.45	6.06	6.97	6.26	6.75
1946-1964	5.60	7.54	6.02	7.02	6.23	6.78
1946-1969	5.58	7.57	6.01	7.03	6.23	6.78
1946-1974	5.55	7.61	6.00	7.04	6.22	6.79
1946-1979	5.52	7.65	5.98	7.07	6.21	6.80
1946-1984	5.50	7.68	5.97	7.08	6.21	6.80
1946-1989	5.48	7.71	5.96	7.09	6.20	6.81
1946-1993	5.46	7.74	5.95	7.10	6.20	6.81
1946-1998	5.43	7.78	5.93	7.12	6.19	6.83
1946-2004	5.41	7.81	5.92	7.14	6.18	6.84
1946-2010	5.42	7.80	5.93	7.12	6.19	6.83
<u>Sinking Fund at 6 Percent</u>						
1946	5.93	7.12	6.12	6.90	6.21	6.80
1946-1951	5.81	7.27	6.04	7.00	6.16	6.86
1946-1955	5.69	7.43	5.96	7.09	6.10	6.93
1946-1959	5.59	7.56	5.89	7.17	6.04	7.00
1946-1964	5.51	7.67	5.84	7.23	6.01	7.03
1946-1969	5.48	7.71	5.82	7.26	5.99	7.05
1946-1974	5.45	7.75	5.80	7.28	5.98	7.07
1946-1979	5.41	7.81	5.77	7.32	5.96	7.09
1946-1984	5.38	7.85	5.75	7.35	5.94	7.11
1946-1989	5.35	7.90	5.73	7.37	5.92	7.14
1946-1993	5.32	7.94	5.71	7.40	5.91	7.15
1946-1998	5.28	8.00	5.69	7.43	5.89	7.17
1946-2004	5.25	8.05	5.67	7.45	5.87	7.20
1946-2010	5.25	8.05	5.67	7.45	5.87	7.20

Pennsylvania Water & Power Company

CUMULATIVE RATES OF RETURN ACTUALLY EARNABLE UNDER ALTERNATIVE METHODS OF DEPRECIATION RESERVE ACCRUAL
COMPARED WITH RATES OF RETURN REQUIRED TO YIELD AN INTENDED 6½ PERCENT FAIR RATE OF RETURN
(Arrayed from Lowest to Highest Actually Earnable Rate of Return for the Period 1946-2010)

Method of Depreciation Reserve Accrual	Return on Assets Reflected by Depreciation Reserve Balance						Intended, Actual and Required Rates of Return		
	Straight Line	Compound Interest			Sinking Fund		Intended Return	Return Earnable	Required Return to Yield 6½
		3%	4½%	6%	3%	4½%			
Straight line	0	-	-	-	-	-	6.50	3.77	11.21
Compound Interest at 3%	-	0	-	-	-	-	6.50	4.58	9.22
Straight line	2%	-	-	-	-	-	6.50	4.61	9.16
Compound interest at 4½	-	-	0	-	-	-	6.50	4.84	8.73
Straight line	3%	-	-	-	-	-	6.50	5.03	8.40
Compound interest at 6%	-	-	-	0	-	-	6.50	5.15	8.20
Compound interest at 3%	-	2%	-	-	-	-	6.50	5.17	8.17
Sinking fund at 6%	-	-	-	-	-	0	6.50	5.25	8.05
Compound interest at 4½	-	-	2%	-	-	-	6.50	5.35	7.90
Sinking fund at 4½	-	-	-	-	0	-	6.50	5.42	7.80
Compound interest at 3%	-	3%	-	-	-	-	6.50	5.47	7.72
Compound interest at 6%	-	-	-	2%	-	-	6.50	5.57	7.59
Compound interest at 4½	-	-	3%	-	-	-	6.50	5.60	7.54
Sinking fund at 3%	-	-	-	-	0	-	6.50	5.61	7.53
Sinking fund at 6%	-	-	-	-	-	2%	6.50	5.67	7.45
Compound interest at 6%	-	-	-	3%	-	-	6.50	5.77	7.32
Sinking fund at 6%	-	-	-	-	-	3%	6.50	5.87	7.20
Sinking fund at 4½	-	-	-	-	-	2%	6.50	5.93	7.12
Sinking fund at 4½	-	-	-	-	-	3%	6.50	6.19	6.83
Sinking fund at 3%	-	-	-	-	2%	-	6.50	6.20	6.81
Sinking fund at 3%	-	-	-	-	3%	-	6.50	6.50	6.50

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PENNSYLVANIA WATER & POWER COMPANY

CUMULATIVE RATE OF RETURN EARNED ON
GROSS INVESTMENT, STRAIGHT LINE
DEPRECIATION AND 5% RATE OF RETURN

	<u>1911-1945</u>	<u>1911-1905</u>	<u>1911-1985</u>	<u>1911-2010</u>
1. Gross Investment	\$779,433,520	\$1,450,248,200	\$2,121,063,000	\$2,959,581,425
2. Reserve for Depreciation	<u>101,987,804</u>	<u>383,851,030</u>	<u>680,020,711</u>	<u>1,027,493,053</u>
3. Net Investment	<u>677,465,716</u>	<u>1,000,397,230</u>	<u>1,441,036,289</u>	<u>1,932,088,372</u>
4. Return Earned on Net Investment (5% after 1945)	68,575,878	88,022,454	106,754,407	131,307,011
5. 3% Assumed "Income from Reserve Investment"	<u>3,059,034</u>	<u>11,515,531</u>	<u>20,400,801</u>	<u>30,824,792</u>
6. Total of (4) and (5)	<u>\$ 71,034,912</u>	<u>\$ 99,537,985</u>	<u>\$ 127,155,208</u>	<u>\$ 162,131,803</u>
7. Rate of Return Earned on Undepreciated Gross Investment	<u>9.2%</u>	<u>6.86%</u>	<u>6.00%</u>	<u>5.48%</u>

Source:

1911 - 1945 Actual investment, depreciation reserve and earnings (Ex. 57).
 1946 - 2010 Static investment and cumulative depreciation reserve shown in
 Dr. Dorau's work papers.

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PENNSYLVANIA WATER & POWER COMPANY

ACTUAL RETIREMENTS

Year	Recorded Retirements	Replacements Charged in Lieu of Retirements	Unrecorded Retirements	Duplicate Retirements	Total Retirements
1912			\$ 57,900.24		\$ 57,900.24
1913			3,315.82		3,315.82
1914			15,122.19		15,122.19
1915			379.57		379.57
1916			440.01		440.01
1917			2,394.28		2,394.28
1918			7,829.73		7,829.73
1919			42,051.28		42,051.28
1920			1,041.08		1,041.08
1921		5,913.42	1,392.42		7,305.84
1922		2,332.36	9,542.31		11,874.67
1923		13,956.86	59,125.89		73,083.75
1924		19,374.80	13,588.29		32,963.15
1925		6,390.74	14,170.59		20,561.33
1926		16,843.57	6,794.71		23,638.28
1927			7,566.04		7,656.04
1928		58,051.46	21,051.90		59,703.36
1929		77,915.74	16,700.38		94,616.12
1930	33,510.00	11,059.53	46,158.04		91,328.17
1931	21,139.00	423.55	1,410.78		22,973.33
1932	44,702.06	1,000.70	3,937.04		48,700.40
1933	51,002.29		3,561.16		54,563.45
1934	55,158.31		4,228.90		59,387.21
1935	56,717.19		(1,330.04)		55,386.55
1936	254,516.97		8,503.01		260,180.58
1937	179,078.84		(395.00)		178,703.84
1938	93,015.16				93,015.16
1939	40,436.95				40,436.95
1940	141,076.41				141,076.41
1941	95,549.97				95,549.97
1942	21,599.13				21,599.13
1943	12,422.09				12,422.09
1944	31,721.25				31,721.25
1945	61,510.04				61,510.04
Total	\$1,193,415.66	\$193,922.79	\$243,928.00	\$(8,210.22)	\$1,723,066.65

HOLTWOOD HYDRO ENERGY AND CAPACITY DATA 1941 - 1946

	1941 Mwh.	1942 Mwh.	1943 Mwh.	1944 Mwh.	1945 Mwh.	Avg. 1941-1945 Mwh.	1946 Mwh.
1. 25 cycle net sendout to Baltimore	278,181	454,340	400,468	347,224	512,247	398,493	405,854
2. 25 cycle net sendout to Lancaster	35,836	34,008	29,038	32,381	29,265	32,106	31,489
3. 25 cycle delivery to freq. changers	10,419	15,574	26,929	21,283	30,277	20,896	16,414
4. 25 cycle received from freq. changers	3,478	2,218	15,545	21,025	9,122	10,278	6,396
5. 25 cycle net hydro generation	320,958	501,704	440,890	379,863	562,667	441,217	447,361
6. 60 cycle net hydro generation	115,546	170,878	146,559	137,583	172,455	148,604	146,919
7. Net hydro generation	436,504	672,582	587,449	517,446	735,122	589,821(a)	594,280(a)
8. 25 cycle effective hydro capacity	80.3	80.3	80.3	80.3	80.3	80.3	80.3
9. 60 cycle effective hydro capacity	23.7	23.7	23.7	23.7	23.7	23.7	23.7
10. Total effective hydro capacity	104	104	104	104	104	104	104
11. 25 cycle hydro generation on hydro peak hour	84	88	87	84	86	86	85
12. 60 cycle hydro generation on hydro peak hour	25	25	24	26	25	25	25
13. Total hydro generation on hydro peak hour	109	113	111	110	111	111	110
14. 25 cycle delivery to Baltimore (max. hour) (b)	75	76	76	77	77	76	77
15. 25 cycle delivery to Lancaster (max. hour) (b)	9(c)	8	10	7	8(d)	8	7
16. 25 cycle delivery to freq. changers (max. hour)	14	14	14	15	16	15	16
17. 25 cycle received from freq. changers (max. hour)	11	12	13	12	12	12	12
18. 25 cycle delivery to Baltimore (hydro peak hour) (b)	70	64	69	67	69	68	72
19. 25 cycle delivery to Lancaster (hydro peak hour) (b)	4	5	4	2	1	3	3
20. 25 cycle delivery to freq. changers (hydro peak hour)	0	8	2	4	8	5	0
21. 25 cycle sta. uses & transm. losses (hydro peak hour)	10	11	12	11	8	10	10
22. 25 cycle hydro generation (hydro peak hour)	84	88	87	84	86	86	85

Note a - The hydro generations at Holtwood shown for the 5 year average, 1941 to 1945 incl., and for the single year 1946, are approximately equal to the average generation expected from long records of river flow.

Note b - Actual deliveries, which are less than sendouts measured at Holtwood by about 6 to 10%.

Note c - A peak of 17 Mw. was not used due to abnormal conditions. (2 circuits to Baltimore out of service to permit work by Baltimore Company)

Note d - A peak of 9 Mw. was not used due to its occurrence during heat run.